



VIA ELECTRONIC FILING

August 20, 2021

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: General Base Rate Filing for Aqua Pennsylvania, Inc. & Aqua Pennsylvania Wastewater, Inc. at Docket Nos. R-2021-3027385 and R-2021-3027386

Dear Secretary Chiavetta:

Aqua Pennsylvania, Inc., and Aqua Pennsylvania Wastewater, Inc. (collectively “Aqua PA,” “AP,” or the “Company”) herewith file for an increase in water and wastewater rates based on a fully projected future test year (“FPFTY”) ending March 31, 2023. In compliance with the Pennsylvania Public Utility Commission’s (“Commission”) general rate case filing requirements, as set forth at 52 Pa. Code §53.53, and the Secretary Bureau’s directions for electronically filing a general rate case, the Company (a) electronically submits one electronic copy of the following documents via the Secretary Bureau’s electronic FileShare Group, and (b) submits one hard copy and one CD/DVD of the following documents by Federal Express:

- Volume 1: Filing Letter, Statement of Specific Reasons for Proposed Increase in Rates, Customer Notices, Press Release, Proposed Tariffs bearing a proposed effective date of October 19, 2021, Original Tariff Water-Pa. P.U.C. No. 3 and Original Tariff Sewer-Pa. P.U.C. No. 3
- Volume 2:
- | | |
|-------------|---|
| Exhibit 1-A | Water - Revenue and Expense Data and Rate Base Claims – Test Years Ended March 31, 2021 (HTY), March 31, 2022 (FTY), & March 31, 2023 (FPFTY) |
| Exhibit 1-B | Wastewater - Revenue and Expense Data and Rate Base Claims – Test Years Ended March 31, 2021 (HTY), March 31, 2022 (FTY), & March 31, 2023 (FPFTY) |
| Exhibit 1-C | Limerick Wastewater - Revenue and Expense Data and Rate Base Claims – Test Years Ended March 31, 2021 (HTY), March 31, 2022 (FTY), & March 31, 2023 (FPFTY) |

	Exhibit 1-D	East Bradford Wastewater - Revenue and Expense Data and Rate Base Claims – Test Years Ended March 31, 2021 (HTY), March 31, 2022 (FTY), & March 31, 2023 (FPFTY)
	Exhibit 1-E	Cheltenham Wastewater - Revenue and Expense Data and Rate Base Claims – Test Years Ended March 31, 2021 (HTY), March 31, 2022 (FTY), & March 31, 2023 (FPFTY)
	Exhibit 1-F	East Norriton Wastewater - Revenue and Expense Data and Rate Base Claims – Test Years Ended March 31, 2021 (HTY), March 31, 2022 (FTY), & March 31, 2023 (FPFTY)
	Exhibit 1-G	New Garden Wastewater - Revenue and Expense Data and Rate Base Claims – Test Years Ended March 31, 2021 (HTY), March 31, 2022 (FTY), & March 31, 2023 (FPFTY)
Volume 3:	Exhibit 2	Payroll Calculations
	Exhibit 3-A	Water - Original Cost Data for New Acquisition Closed Subsequent to Last Rate Case
Volume 4:	AP Statement No. 7	Direct Testimony of Paul R. Moul
	Exhibit 4-A	Cost of Capital
Volume 5:	Exhibit 5-A, Parts I, II, Appendix A – Cost of Service Allocation Study, Operating Revenues from the Sales of Water, & Application of Present and Proposed Rates	
	Exhibit 5-B, Parts I & II, Appendix A, Exhibit 5-C – Cost of Service Allocation Study, Operating Revenues from the Sales of Wastewater, & Application of Present and Proposed Rates	
Volume 6:	Exhibit 6-A, Part I – Water Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2021	
Volume 7:	Exhibit 6-A, Part II – Water Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2022	
Volume 8:	Exhibit 6-A, Part III – Water Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2023	
Volume 9:	Exhibits 6-B, Part I, II, III – Wastewater Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2021, March 31, 2022, and March 31, 2023	

- Volume 10: Exhibits 6-C, Part I, II, III – Limerick Wastewater Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2021, March 31, 2022, and March 31, 2023
- Volume 11: Exhibits 6-D, Part I, II, III – East Bradford Wastewater Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2021, March 31, 2022, and March 31, 2023
- Volume 12: Exhibits 6-E, Part I, II, III – Cheltenham Wastewater Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2021, March 31, 2022, and March 31, 2023
- Volume 13: Exhibit 6-F, Part I, II, III – East Norriton Wastewater Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2021, March 31, 2022, and March 31, 2023
- Volume 14: Exhibit 6-G, Part I, II, III – New Garden Wastewater Depreciation Study - Calculated Annual Depreciation Accruals Related to Utility Plant at March 31, 2021, March 31, 2022, and March 31, 2023
- | | | |
|------------|---------------------|--|
| Volume 15: | AP Statement No. 1 | Direct Testimony of William C. Packer |
| | AP Statement No. 2 | Direct Testimony of Erin M. Feeney |
| | AP Statement No. 3 | Direct Testimony of Christopher E. Manning |
| | AP Statement No. 4 | Direct Testimony of Christopher E. Henkel |
| | AP Statement No. 5 | Direct Testimony of Constance E. Heppenstall |
| | AP Statement No. 6 | Direct Testimony of John J. Spanos |
| | AP Statement No. 8 | Direct Testimony of Christine Saball |
| | AP Statement No. 9 | Direct Testimony of Todd M. Duerr |
| | AP Statement No. 10 | Direct Testimony of Rita F. Black |
- Volume 16: Minimum Filing Requirements (A) through (F)
- Volume 17: Minimum Filing Requirements (G)
- Volume 18: Minimum Filing Requirements (H) through (K)
- Volume 19: Documents Marked Confidential

As noted above, Aqua PA's general rate filing includes information that Aqua PA considers to be proprietary and confidential. Both the electronic and hard copies of these documents have been conspicuously labeled as "CONFIDENTIAL" have been separately compiled and submitted to the Commission in electronic and hard copy format. Aqua PA requests that the copies of the materials that have been labeled "CONFIDENTIAL" and that have been separately submitted to the Commission as "CONFIDENTIAL" documents be given confidential treatment by the Commission, including its various offices and bureaus. That is, the Company requests that the confidential materials be excluded from the Commission's public document folder and that the confidential copies not be disclosed to the public.

In addition, and in accordance with the Commission's regulations, Aqua PA is concurrently serving copies of the above-captioned general rate increase filing, comprised of the documents listed above upon the Commission's Bureau of Technical Utility Services ("TUS"), the Commission's Bureau of Investigation and Enforcement ("I&E"), the Commission's Office of the Administrative Law Judge ("OALJ"), the Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA"), as follows:

- By prior agreement, filing letter only via email will be provided to TUS;
- By prior agreement, four copies of the filing will be provided to I&E;
- By prior agreement, one electronic copy of the filing will be provided to OALJ (paper copy if requested);
- By prior agreement, two paper copies and one electronic copy will be provided to the OCA; and
- By prior agreement, one paper copy and one electric copy will be provided to the OSBA.

Aqua PA is being represented in this proceeding by the following counsel and requests that they be included on the official service list:

Michael W. Hassell, Esquire
Garrett Lent, Esquire
Post & Schell
17 North Second Street
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(717) 612-6029
(717) 612-6032
MHassell@postschell.com
GLent@postschell.com

Kimberly A. Joyce, Esquire
Mary McFall Hopper, Esquire
Alexander R. Stahl, Esquire
Aqua Pennsylvania
762 W. Lancaster Ave.
Bryn Mawr, PA 19010
(610) 645-1077
(610) 645-1170
(610) 645-1130
KAJoyce@essential.co
MMHopper@aquaamerica.com
AStahl@aquaamerica.com

If you have any questions regarding the enclosed filing or supporting data, please contact any of Aqua PA's legal counsel listed above.

Finally, I, Erin M. Feeney, hereby certify that a printed Notice of Proposed Rate Changes was mailed on or before August 20, 2021 to all customers of the Company affected thereby. True and correct copies of said notices are attached hereto.

Sincerely,



Erin M. Feeney
Manager, Rates
Aqua Pennsylvania, Inc.
EFDomzalski@AquaAmerica.com

cc: Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Aqua Pennsylvania, Inc. : Docket No. R-2021-3027385
Aqua Pennsylvania Wastewater, Inc. : Docket No. R-2021-3027386

CERTIFICATE OF SERVICE

I hereby certify that I have this day served copies of the foregoing documents upon the persons in the manner indicated below:

Christine Hoover, Esq.
Erin L. Gannon, Esq.
Office of Consumer Advocate
555 Walnut Street,
Fifth Floor Forum Place
Harrisburg, PA 17101-1921
(via hand delivery)

Teresa Wagner
Office of Small Business Advocate
555 Walnut Street
First Floor Forum Place
Harrisburg, PA 17101-1921
(via hand delivery)

Joseph Kubas
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
(via Federal Express)

Charles E. Rainey
Chief Administrative Law Judge
Office of Administrative Law Judge
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
(electronic copy via Federal Express)

Paul Diskin
Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
(letter only via email, no copy of the filing requested)

Dated: August 20, 2021



Erin M. Feeney
Manager, Rates
Aqua Pennsylvania, Inc.
762 W. Lancaster Ave.
Bryn Mawr, PA 19010
610-520-6359
EFDomzalski@AquaAmerica.com

**AQUA PENNSYLVANIA, INC.
AQUA PENNSYLVANIA WASTEWATER, INC.**

**STATEMENT OF SPECIFIC REASONS FOR
PROPOSED INCREASE IN RATES**

Aqua Pennsylvania, Inc. (“AP” or the “Company”) on its own behalf and on behalf of its wholly-owned subsidiary Aqua Pennsylvania Wastewater, Inc., filed, respectively, Original Tariff Water – PA P.U.C. No. 3 (“Tariff Water No. 3”) and Original Tariff Sewer – PA P.U.C. No. 3 (“Tariff Sewer No. 3”) to become effective on October 19, 2021. Based on the financial and accounting data submitted in support of those tariffs, the Company’s proposed base rates will produce an increase in total annual operating revenues of \$97,684,824, or approximately 17.86% over the level of revenues anticipated for the fully projected future test year ending March 31, 2023. The proposed base rates set forth Tariff Water No. 3 and Tariff Sewer No. 3 in the majority of the Company’s divisions will have a proposed rate increase in charges for water and wastewater service by varying amounts. The specific reasons for the proposed increase in total operating revenues are summarized below.

Rate Increase

The Company last filed for base rate increases for its water and wastewater operations in August 2018. During the intervening period since the last case, the Company will have invested approximately \$1.1 billion in utility infrastructure through March 31, 2023, which represents an increase of 23% in the original cost of the Company’s physical assets (property, plant and equipment) used and useful in providing utility service. These substantial investments in new utility infrastructure, include, but are not limited to, distribution main replacement, water and wastewater treatment plant rehabilitation, well rehabilitation, and upgrades to pumping facilities. Investments such as this and similar projects are crucial to maintain the high-quality service the Company’s customers have come to expect. This includes addressing aging infrastructure and enabling the Company to meet increasingly stringent state and federal environmental regulations.

The Company has invested in projects that have reduced its production costs, including utility power expense and purchased water expense. In addition, the Company has engaged in

concerted efforts to control discretionary operating expenditures. However, various operating expenses have increased consistent with national trends and these increases are reflected in the filing.

Due in large part to its substantial additional investment in utility plant and increases in various non-discretionary cost items, the Company's overall rate of return, at present rates, is projected to be only 6.00% for the fully projected future test year. More importantly, the indicated return on common equity under present rates is anticipated to be 7.71%, which is inadequate and less than required to provide the Company with a reasonable opportunity to attract the additional capital needed to finance future water and wastewater plant improvements.

The requested rate levels would produce an overall rate of return of 7.64% and a rate of return on common equity of 10.75% on the Company's claimed original cost measure of value. These return levels are consistent with those recommended by Mr. Paul R. Moul – an expert on the subject of rate of return.¹

Supporting Data

Along with Tariff Water No. 3 and Tariff Sewer No. 3, the Company filed all of the supporting data required by the Pennsylvania Public Utility Commission's ("PUC" or the "Commission") regulations for the historical test year ended March 31, 2021, the future test year ending March 31, 2022, and the fully projected future test year ending March 31, 2023. The Company is submitting separate revenue requirement studies for its water and wastewater operations (*see* AP Exhibit Nos. 1-A (Water) and 1-B through 1-G (Wastewater)). The Company has included the revenue requirement studies in a consolidated rate increase filing pursuant to authority conferred by Section 1311(c) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1311(c). Because the Company is basing its claim principally on the level of operations for the fully projected future test year, pursuant to Section 315(e) of the Pennsylvania

¹ Mr. Moul's rate of return recommendations are being filed herewith as Exhibit 4 and are summarized as follows:

	<u>Ratio</u>	<u>Cost Rate</u>	<u>Weighted Cost Rate</u>
Debt	46.08%	4.00%	1.84%
Common Equity	53.92%	10.75%	5.80%
Total	100%		7.64%

Public Utility Code, 66 Pa.C.S. § 315(e), the discussion that follows will address the fully projected future test year data.

The revenue and expense data for the fully projected future test year have been prepared in a manner consistent with the Company's prior rate filings and in accordance with the accepted practices of the Commission. To establish anticipated operating revenues under the proposed rates, operating revenues for the historic test year ended March 31, 2021, were adjusted to reflect (1) changes in the number of customers, as well as the consumption by specific customers, during the twelve-month periods ending March 31, 2021, March 31, 2022, and March 31, 2023, and (2) required annualization adjustments and system acquisitions.

After extensive and careful review of the Company's accounts, actual operating expenses for the historic test year ended March 31, 2021, were increased to reflect currently effective and anticipated expense levels, as summarized at page C-2 of Exhibit 1-A and Exhibits 1-B through 1-G. Such adjustments capture, among other things: chemical costs; group insurance costs; labor and labor related costs; healthcare costs; and the impact of inflation on expense items not otherwise specifically adjusted to fully projected future test year levels. Certain other adjustments were also made, including downward adjustments to reflect reductions in expense levels from those experienced during the year ended March 31, 2021. In addition, an adjustment has been made to reflect the increase in the Company's annual depreciation expense accrual under the straight-line remaining life method.

The rate base elements that are reflected in the Company's proposed revenue requirement in this filing have also been determined on a basis that is consistent with past rate filings and in accordance with accepted practices of the Commission. Fully projected future test year plant levels reflect the original cost of the Company's utility plant, as taken from the Company's continuing property records, together with the anticipated additions and retirements during the years ending March 31, 2022, and March 31, 2023. Gannett Fleming Valuation and Rate Consultants, LLC computed the applicable accrued depreciation under the straight-line remaining life method, which was then deducted from the original cost of the Company's depreciable plant. The resulting claim for depreciated utility plant in service equals \$4,775,738,300, consisting of \$4,380,347,565 for water and \$395,590,735 for wastewater.

From the depreciated utility plant in service figures, the Company has deducted contributions in aid of construction, customer advances for construction, and deferred income taxes. The Company has added an allowance for materials and supplies and cash working capital. The resulting claimed original cost measure of value as of March 31, 2023 is \$4,182,606,575, consisting of \$3,818,296,012 for water and \$364,310,563 for wastewater. This represents an approximate 23% increase over the Company's combined rate base claims in its last water and wastewater base rate proceedings.

As is evident from the foregoing and the voluminous supporting data filed herewith, the proposed rate increase is just and reasonable and represents the minimum rate increase necessary to enable the Company to earn a reasonable return on its investment in property devoted to the public service, to maintain the integrity of existing capital and to attract new capital.

Rate Structure

The Company's rate structure proposal was developed in accordance with system-wide cost of service studies for water and wastewater service performed by Gannett Fleming Valuation and Rate Consultants, LLC. A copy of that study was submitted with this filing as Aqua Exhibit 5-A and 5-B.

The Company's long-term goal to charge all customers a uniform set of rates regardless of geographic location. The Company's acquisition of small companies across the state has presented unique circumstances that require it to maintain separate rates for certain systems with the long-term goal of consolidation. For specific information on certain rate zones, please refer to Tariff Water No. 3 and Tariff Sewer No. 3.

Public fire hydrant rates in most rate divisions currently exceed 25% of the indicated cost of service and, consistent with Section 1328(b) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1328(b), have been held at existing levels. The Company has, however, proposed to increase public hydrant rates in rate divisions where the present charges are below the 25% benchmark.

The Company has also proposed combining a portion of the revenue requirement of its wastewater operations with the revenue requirement of its water operations, as permitted by Section 1311(c) of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1311(c).

Finally, Tariff Water No. 3 and Tariff Sewer No. 3 will reset the respective water and wastewater Distribution System Improvement Charges to zero at the effective date of new base rates.

Summary

In summary, the instant filing was prepared in a manner substantially consistent with the Commission's findings in many prior rate proceedings and in accordance with the accepted practices of the Commission. The proposed increase in revenues is the minimum increase necessary to permit the Company to provide reliable utility service and to maintain the integrity of its existing capital, attract additional necessary capital at reasonable costs, and have an opportunity to actually achieve a fair rate of return, particularly on its common equity capital. For these and other reasons set forth above, the rates proposed in Tariff Water No. 3 and Tariff Sewer No. 3 should be permitted to become effective as filed.



An Essential Utilities Company

Press Release

For release: Aug. 20, 2021

Contact: Gretchen Toner
484.368.4816

GMToner@AquaAmerica.com

Aqua Pennsylvania files rate request based on water and wastewater infrastructure repairs and improvements statewide

Water would be priced at about 2 cents per gallon

BRYN MAWR, Pa. – Aqua Pennsylvania Inc. filed an application with the Pennsylvania Public Utility Commission (PUC) today requesting an increase in water and wastewater rates for its customers. The primary reason for the request is the recovery of \$1.1 billion the company has prudently spent to upgrade its distribution and treatment systems, improving drinking water quality and service reliability throughout its water and wastewater operations.

“Since our last rate case, Aqua will have replaced more than 400 miles of aging water main, as well as associated valves, service lines and fire hydrants throughout approximately 5,800 miles of distribution system. These critical improvements enhance service by reducing the number of water main breaks and leakage that can occur from older pipes, thereby reducing environmental impacts,” said Aqua Pennsylvania President Marc Lucca. “We also opened a new state-of-the-art environmental laboratory this year to help us continue our long history of providing safe drinking water to our customers and returning clean wastewater to the environment.” Aqua’s laboratory employees perform about 90,000 water quality tests a year.

A significant portion of Aqua’s capital program has been dedicated to upgrading and rehabilitating treatment plants and wells, including the installation of equipment to meet new, more stringent water quality requirements for increased sustained disinfection. Improvements to wastewater operations include collection system replacement and renewal, treatment plant rehabilitation to ensure reliable operation and that high-quality treated water is returned to the environment, upgrades to electrical systems, and the installation of generators to ensure continued service during power outages. Given increasing external threats, Aqua also invested heavily in cybersecurity programs to protect the computer systems used to operate treatment plants as well as those used to maintain sensitive customer and company data.

“Providing safe, reliable drinking water and wastewater service to our customers and communities is essential to their health, quality of life, environment and economic well-being,” Lucca said. “The vital nature of our mission became even more evident as our employees continued to serve our customers and improve our water and wastewater infrastructure during the COVID-19 pandemic. It’s imperative that we maintain and improve our critical infrastructure to ensure our service is ready when our customers need it.”

If the company’s full request were to be approved, it would increase a residential water bill for a typical customer using 4,000 gallons per month from \$69.35 to \$81.32, an increase of \$11.97 a month (40 cents a day). The average monthly residential wastewater bill would increase from \$55.51 to \$73.95. Any new base rates set by the PUC would not be effective until 2022.

With over 490,000 water and wastewater customers throughout Pennsylvania, the company said its \$1.1 billion of capital spending since the last rate request equates to an average investment of about \$2,245 per customer.

If the PUC were to grant the entire request, the typical Aqua residential customer would still be able to have a day’s worth of water, approximately 134 gallons, for approximately \$2.71 — or about 2 cents per gallon for quality water delivered directly to the customer’s home. This usage includes cooking, drinking, showering, washing clothes and dishes, and sanitation. The requested increase in annual revenue for Aqua is \$97.7 million.

Customers can call Aqua at 877.987.2782 for more information about the rate request.

Aqua Pennsylvania serves approximately 1.5 million people in 32 counties throughout the Commonwealth of Pennsylvania. Visit AquaAmerica.com or follow Aqua on Facebook at facebook.com/MyAquaAmerica and on Twitter at [@MyAquaAmerica](https://twitter.com/MyAquaAmerica).

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Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which generally include words such as “believes,” “expects,” “intends,” “anticipates,” “estimates” and similar expressions. The company can give no assurance that any actual or future results or events discussed in these statements will be achieved. Any forward-looking statements represent its views only as of today and should not be relied upon as representing its views as of any subsequent date. Readers are cautioned that such forward-looking statements are subject to a variety of risks and uncertainties that could cause the company’s actual results to differ materially from the statements contained in this release. Such forward-looking statements include but are not limited to statements relating to the capital to be invested by the water, wastewater and gas distribution divisions of the company. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including the factors

discussed in our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q, which are filed with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with the company's business, please refer to the company's annual, quarterly and other SEC filings. The company is not under any obligation - and expressly disclaims any such obligation - to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRGF

NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your water rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance essential to providing reliable utility service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems have increased reliability and capacity and helped prevent service interruptions. The rates you pay have gone toward repairs and improvements including, but not limited to, the following:

- Replacement and rehabilitation of more than 300 miles of aging water mains
- Replacement and repair of valves, fire hydrants, service lines and other parts of our approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$67.49 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 33,900 gallons a month would increase from \$403.59 to \$480.73 per month.
- Industrial customers with a 5/8-inch meter using 201,400 gallons a month would increase from \$1,923.29 to \$2,288.93 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

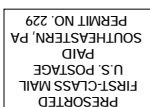
1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

MAIN DIVISION

Main Division WT

Return Service Requested



NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your water rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

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Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance essential to providing reliable utility service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems have increased reliability and capacity and helped prevent service interruptions. The rates you pay have gone toward repairs and improvements including, but not limited to, the following:

- Replacement and rehabilitation of more than 300 miles of aging water mains
- Replacement and repair of valves, fire hydrants, service lines and other parts of our approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$67.49 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 14,100 gallons a month would increase from \$234.41 to \$276.47 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

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ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

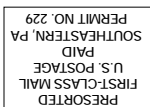
1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

EAGLE ROCK

Eagle Rock WT

Return Service Requested



M2

NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your water rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance essential to providing reliable utility service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems have increased reliability and capacity and helped prevent service interruptions. The rates you pay have gone toward repairs and improvements including, but not limited to, the following:

- Replacement and rehabilitation of more than 300 miles of aging water mains
- Replacement and repair of valves, fire hydrants, service lines and other parts of our approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$67.49 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 33,900 gallons a month would increase from \$403.59 to \$480.27 per month.
- Industrial customer with a 1-inch meter using 201,400 gallons a month would increase from \$1,923.29 to \$2,288.93 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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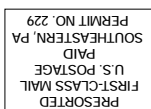
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BENSALEM

Bensalem, VT

Return Service Requested



M3

NOTICE OF PROPOSED WATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$63.39 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 6,000 gallons a month would increase from \$93.52 to \$111.28 per month.
- Industrial customers with a 2-inch meter using 201,400 gallons a month would increase from \$1,998.09 to \$2,445.63 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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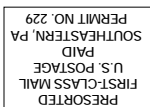
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CHALFONT

Chalfont VT

Return Service Requested



M4

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If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$67.49 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 14,100 gallons a month would increase from \$234.41 to \$276.47 per month.
- Industrial customers with a 5/8-inch meter using 36,800 gallons a month would increase from \$440.36 to \$521.58 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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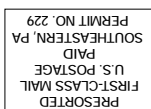
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OAKLAND

Oakland Beach WT

Return Service Requested



M5

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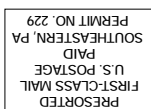
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MASTHOPE

Masthope VT

Return Service Requested



M6

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If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$54.65 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 32,100 gallons a month would increase from \$331.12 to \$497.93 per month.

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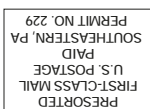
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CC GARDENS

CC Gardens WT

Return Service Requested



M7

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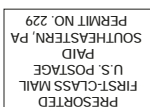
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2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

CLARENDON WATER

Clarendon WT

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M8

NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your water rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance essential to providing reliable utility service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems have increased reliability and capacity and helped prevent service interruptions. The rates you pay have gone toward repairs and improvements including, but not limited to, the following:

- Replacement and rehabilitation of more than 300 miles of aging water mains
- Replacement and repair of valves, fire hydrants, service lines and other parts of our approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$67.49 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 33,900 gallons a month would increase from \$403.59 to \$480.27 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

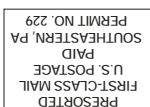
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2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

KRATZERVILLE

Kratzerville WT

Return Service Requested



NOTICE OF PROPOSED WATER RATE CHANGES

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AQUA'S RATE REQUEST

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- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$67.49 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 33,900 gallons a month would increase from \$404.71 to \$481.60 per month.
- Industrial customers with a 5/8-inch meter using 201,400 gallons a month would increase from \$1,923.29 to \$2,288.93 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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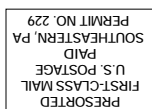
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HONESDALE

Honesdale, PA

Return Service Requested



M10

NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

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- Replacement and repair of valves, fire hydrants, service lines and other parts of our approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$54.65 to \$81.32 per month.
- Commercial customers with a 2-inch meter using 32,100 gallons a month would increase from \$331.12 to \$497.93 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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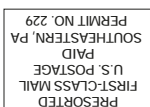
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SAND SPRINGS

Sand Springs WT

Return Service Requested



NOTICE OF PROPOSED WATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$52.31 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 16,000 gallons a month would increase from \$146.00 to \$286.98 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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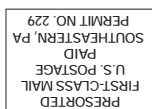
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MIFFLIN

Mifflin, PA

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M12

NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

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Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$32.91 to \$47.03 per month.
- Commercial customers with a 5/8-inch meter using 45,200 gallons a month would increase from \$177.94 to \$300.74 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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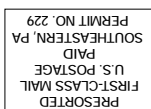
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BEECH MOUNTAIN

Beech Mountain WT

Return Service Requested



NOTICE OF PROPOSED WATER RATE CHANGES

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If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$41.55 to \$59.22 per month.
- Commercial customers with a 5/8-inch meter using 33,500 gallons a month would increase from \$209.12 to \$330.73 per month.

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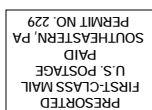
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TREASURE LAKE

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



Treasure Lake WT

M14

NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your water rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance essential to providing reliable utility service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems have increased reliability and capacity and helped prevent service interruptions. The rates you pay have gone toward repairs and improvements including, but not limited to, the following:

- Replacement and rehabilitation of more than 300 miles of aging water mains
- Replacement and repair of valves, fire hydrants, service lines and other parts of our approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$45.40 to \$64.66 per month.
- Commercial customers with a 4-inch meter using 434,800 gallons a month would increase from \$3,189.01 to \$5,179.10 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

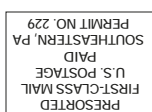
1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

CONCORD PARK

Concord Park WT

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M15

NOTICE OF PROPOSED WATER RATE CHANGES

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- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$39.75 to \$56.70 per month.
- Commercial customers with a 5/8-inch meter using 11,400 gallons a month would increase from \$122.58 to \$191.28 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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ACTIONS YOU CAN TAKE

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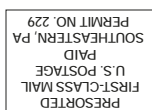
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BRISTOL TWP

Bristol Township WT

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M16

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Dear Customer:

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Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$63.39 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 33,900 gallons a month would increase from \$396.47 to \$480.27 per month.
- Industrial customers with a 1-inch meter using 201,400 gallons a month would increase from \$2,262.41 to \$2,288.93 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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ACTIONS YOU CAN TAKE

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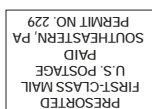
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MT JEWETT

MT Jewett Borough WT

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M17

NOTICE OF PROPOSED WATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$27.20 to \$38.44 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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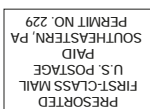
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BUNKER HILL

Bunker Hill WT

Return Service Requested



M18

NOTICE OF PROPOSED WATER RATE CHANGES

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If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$54.82 to \$81.32 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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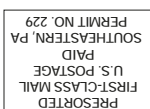
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ROBIN HOOD LAKES

Robin Hood Lakes WT

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M19

NOTICE OF PROPOSED WATER RATE CHANGES

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SUN VALLEY

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

762 W. Lancaster Ave.
Bryn Mawr, PA 19010

 AQUA
An Essential Utilities Company

Sun Valley WT

M/20

NOTICE OF PROPOSED WATER RATE CHANGES

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If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$67.49 to \$81.32 per month.
- Commercial customers with a 5/8-inch meter using 6,000 gallons a month would increase from \$93.52 to \$111.28 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

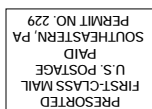
You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

SUPERIOR

Return Service Requested



Superior WI

M21

NOTICE OF PROPOSED WATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your water rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance essential to providing reliable utility service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems have increased reliability and capacity and helped prevent service interruptions. The rates you pay have gone toward repairs and improvements including, but not limited to, the following:

- Replacement and rehabilitation of more than 300 miles of aging water mains
- Replacement and repair of valves, fire hydrants, service lines and other parts of our approximately 5,800-mile distribution system
- Upgrades and rehabilitation of treatment plants and wells including the installation of equipment to further ensure compliance with all water quality regulations governing disinfection, corrosion control, taste and odor
- Upgrades to pumping stations, treatment plants, and water storage tanks to ensure the continued ability to meet system demands and all regulatory requirements

Aqua's commitment to ongoing system investments helps ensure water quality and uninterrupted service. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical water bill for:

- Residential customers with a 5/8-inch meter using 4,000 gallons a month would increase from \$15.33 to \$22.66 per month.
- Commercial customers with a 5/8-inch meter using 19,100 gallons a month would increase from \$60.63 to \$89.70 per month.
- Industrial customers with a 5/8-inch meter using 3,600 gallons a month would increase from \$17.47 to \$25.88 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your water bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

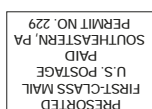
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1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.

2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

PHOENIXVILLE

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



Phoenixville WT

M22

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and renewal, treatment plant rehabilitation, upgrades to electrical systems, installation of remote monitoring systems, and installation of generators.

Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers would increase from \$70.45 to \$77.49 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
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Pinecrest WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M23

PRESORTED
FIRST-CLASS MAIL
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

Return Service Requested

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

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THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and renewal, treatment plant rehabilitation, upgrades to electrical systems, installation of remote monitoring systems, and installation of generators.

Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,200 gallons a month would increase from \$75.40 to \$92.44 per month.
- Commercial customers using 3,400 gallons a month would increase from \$77.15 to \$94.59 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

WILLISTOWN WOODS WW

Willistown Woods WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M24

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

Return Service Requested

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,100 gallons a month would increase from \$74.52 to \$91.37 per month.
- Commercial customers using 14,400 gallons a month would increase from \$173.45 to \$212.66 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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LINKS AT GETTYSBURG WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Gettysburg WW

M25

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

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Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and renewal, treatment plant rehabilitation, upgrades to electrical systems, installation of remote monitoring systems, and installation of generators.

Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 5,800 gallons a month would increase from \$133.57 to \$163.76 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

BRANDYWINE WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

East Bradford WW

M26

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

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Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 4,300 gallons a month would increase from \$105.94 to \$128.56 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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TWIN HILLS WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229



Twin Hills WW

M27

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

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Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 6,200 gallons a month would increase from \$137.53 to \$168.61 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request

a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

PLUMSOCK WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Plumsock WW

M28

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers with a 5/8-inch meter using 3,500 gallons a month would increase from \$59.33 to \$72.69 per month.
- Commercial customers with a 5/8-inch meter using 16,300 gallons a month would increase from \$159.53 to \$195.55 per month.
- Industrial customer with a 5/8-inch meter using 3,700 gallons a month would increase from \$60.89 to \$74.61 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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ACTIONS YOU CAN TAKE

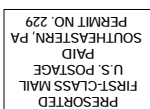
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MEDIA WW

Return Service Requested



Media WW

M29

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,200 gallons a month would increase from \$63.78 to \$69.81 per month.
- Commercial customers using 5,300 gallons a month would increase from \$81.30 to \$89.97 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

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WHITE HAVEN WW

White Haven WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M30

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 2,700 gallons a month would increase from \$53.07 to \$65.01 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

BRIDLEWOOD WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229



Bridlewood WW

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 2,700 gallons a month would increase from \$53.07 to \$65.01 per month.
- Commercial customers using 6,100 gallons a month would increase from \$84.83 to \$97.65 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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EAGLE ROCK WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Essential Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Eagle Rock WW

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 2,600 gallons a month would increase from \$70.14 to \$86.00 per month.
- Unmetered Residential customers would increase from \$73.65 to \$101.03 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

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THORNHURST WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229



Thornhurst WW

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,200 gallons a month would increase from \$63.78 to \$69.81 per month.
- Commercial customers using 13,900 gallons a month would increase from \$153.05 to \$172.51 per month.

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RIVERCREST WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229



Rivercrest WW

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THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and renewal, treatment plant rehabilitation, upgrades to electrical systems, installation of remote monitoring systems, and installation of generators. Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,000 gallons a month would increase from \$105.88 to \$129.82 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

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ACTIONS YOU CAN TAKE

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LITTLE WASHINGTON WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229



Little Washington WW

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 4,200 gallons a month would increase from \$84.15 to \$103.17 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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LAUREL LAKES WW

Laurel Lakes WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M36

PRESORTED
FIRST-CLASS MAIL
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

Return Service Requested

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,100 gallons a month would increase from \$74.52 to \$91.37 per month.

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To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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- 4.

3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

DEERFIELD KNOLL WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Deerfield Knoll WW

M37

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 1,800 gallons a month would increase from \$42.68 to \$52.37 per month.
- Commercial customers would increase from \$106.44 to \$130.55 per EDU per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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MASTHOPE WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Masthope WW

M38

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 4,700 gallons a month would increase from \$109.85 to \$133.31 per month.

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PEDDLERS VIEW WW

Peddlers View WW



M39

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
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SOUTHEASTERN, PA
PERMIT NO. 229

Return Service Requested

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,500 gallons a month would increase from \$110.83 to \$135.88 per month.
- Commercial customers using 39,900 gallons a month would increase from \$775.63 to \$950.96 per month.

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GREENS AT PENN OAKS WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Penn Oaks WW

M40

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 7,200 gallons a month would increase from \$168.92 to \$180.74 per month.

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NEWLIN GREEN WW

Newlin Green WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M41

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
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SOUTHEASTERN, PA
PERMIT NO. 229

Return Service Requested

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The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and renewal, treatment plant rehabilitation, upgrades to electrical systems, installation of remote monitoring systems, and installation of generators.

Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 2,000 gallons a month would increase from \$64.89 to \$79.56 per month.
- Unmetered Residential customers would increase from \$73.65 to \$101.03 per month.
- Commercial per-EDU customers would increase from \$73.65 to \$101.03 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.
3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may

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WOODLOCH SPRINGS WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Woodloch Spring WW

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 2,800 gallons a month would increase from \$71.89 to \$88.15 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

STONY CREEK WW

Return Service Requested

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

AQUA
An Associated Utilities Company
762 W. Lancaster Ave.
Bryn Mawr, PA 19010

Stony Creek WW

MA3

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Unmetered Residential customers would increase from \$103.00 to \$125.00 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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NEW DALEVILLE WW

New Daleville WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M44

PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
SOUTHEASTERN, PA
PERMIT NO. 229

Return Service Requested

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Commercial customers with a 4-inch meter using 194,500 gallons a month would increase from \$1,581.41 to \$2,257.81 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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VALLEY FORGE WW

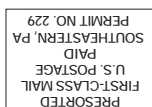
Village at Valley Forge WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M45

Return Service Requested



NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers would increase from \$82.40 to \$101.03 per month.
- Commercial customers would increase from \$82.40 to \$101.03 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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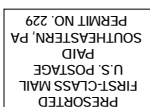
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BEECH MOUNTAIN WW

Beech Mt. Lake WT

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M46

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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If the Company's entire request is approved, the typical wastewater bill for:

- Unmetered Residential customers would increase from \$103.00 to \$125.00 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

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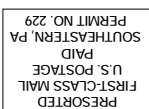
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LAKE HARMONY WW

LAKE HARMONY WW

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M47

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers with a 5/8-inch meter using 3,200 gallons a month would increase from \$52.69 to \$69.81 per month.
- Commercial customers with a 5/8-inch meter using 34,300 gallons a month would increase from \$254.50 to \$368.31 per month.
- Unmetered customers would increase from \$57.89 to \$77.49 per month.

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To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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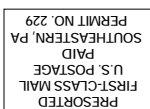
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TREASURE LAKE WW

Return Service Requested



Treasure Lake WW

M48

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and renewal, treatment plant rehabilitation, upgrades to electrical systems, installation of remote monitoring systems, and installation of generators.

Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,400 gallons a month would increase from \$58.35 to \$71.73 per month.
- Commercial customers using 78,400 gallons a month would decrease from \$877.05 to \$791.58 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

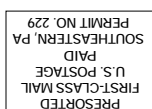
You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
2. Attending or presenting testimony at PUC public input hearings. You can attend or be a witness at a PUC public hearing. The PUC holds public input hearings if it opens an investigation of the Company's rate increase request and if there is enough interest in the case. At these hearings you may present your views in person to the PUC judge and to Company representatives. Testimony under oath becomes part of the rate case record. The PUC holds these hearings in the service area of the Company. For more information, call the PUC at 800.692.7380.

3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

PENN TWP WW

Return Service Requested



Penn Township WW

M49

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Unmetered Residential customers would increase from \$57.89 to \$77.49 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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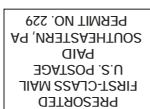
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BUNKER HILL WW

Return Service Requested



Bunker Hill WW

M50

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers would increase from \$103.00 to \$125.00 per month.
- Commercial customers would increase from \$721.00 to \$875.00 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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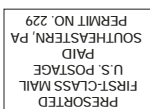
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HONEYCROFT WW

Return Service Requested



Honeycroft Village WW

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers would increase from \$70.45 to \$77.49 per month.
- Commercial customers would increase from \$70.45 to \$77.49 per EDU per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

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EMLENTON WW

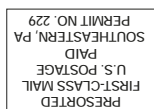
Emlementon Borough WW

762 W. Lancaster Ave.
Bryn Mawr, PA 19010



M52

Return Service Requested



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If the Company's entire request is approved, the typical wastewater bill for:

- Unmetered Residential customers would increase from \$103.00 to \$125.00 per month.
- Commercial customers using 11,600 gallons a month would increase from \$177.37 to \$215.25 per month.

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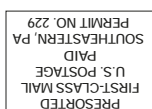
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TOBYHANNA WW

Return Service Requested



Tobyhanna WW

MCS3

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If the Company's entire request is approved, the typical wastewater bill for:

- Commercial customers would increase from \$8,529.69 to \$10,503.71 per month.

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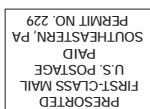
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AVON GROVE WW

Avon Grove WW

Return Service Requested



ME4

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers would decrease from \$185.40 to \$141.94 per month.

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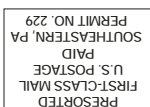
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SAGE HILL WW

Return Service Requested



Sage Hill WW

M55

NOTICE OF PROPOSED WASTEWATER RATE CHANGES

Dear Customer:

Aqua Pennsylvania, Inc. ("Aqua" or "Company") filed a request with the Pennsylvania Public Utility Commission ("PUC") on Aug. 20, 2021 to increase your wastewater rates as of Oct. 19, 2021. A full investigation of this request by the PUC could delay the change until May 2022. This notice describes our request, the PUC's role, and what actions you can take.

AQUA'S RATE REQUEST

Aqua is requesting a total overall rate increase of \$97.7 million per year for all of our water and wastewater operations. This covers investments in system repairs and improvements that Aqua has already made since April 2020 and projected through March 2023. It also covers the cost of operation and maintenance, essential to ensuring proper treatment and uninterrupted service. Since the last rate case, Aqua has invested approximately \$1.1 billion in infrastructure and other service improvements.

THE RATES YOU PAY DIRECTLY BENEFIT YOUR COMMUNITY

The investments Aqua has made in our water and wastewater systems throughout the state have increased reliability and capacity and helped prevent service interruptions. These improvements include, but are not limited to, the following: collection system replacement and renewal, treatment plant rehabilitation, upgrades to electrical systems, installation of remote monitoring systems, and installation of generators.

Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,800 gallons a month would increase from \$37.59 to \$71.27 per month.
- Commercial customers using 5,800 gallons a month would increase from \$50.90 to \$88.00 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

PUC ROLE

The state agency that approves rates for public utilities is the PUC. The PUC will review and investigate the requested rate increase. Aqua must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing rates. As a result, the final effect on your bill may be different than Aqua's request.

ACTIONS YOU CAN TAKE

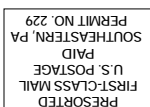
You may challenge the Company's request by:

1. Sending a letter to the PUC. You can tell the PUC why you object to the requested rate increase in your letter. You can also tell the PUC about any other concerns you have about the Company. This information can be helpful when the PUC investigates the rate request. Send your letter to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
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3. Becoming a party by filing a formal complaint. If you want to be a party to the case, you must file a formal complaint. You then have an opportunity to take part in all hearings about the rate increase request. You can receive copies of all materials distributed by the other parties. Formal complaints should be filed with the PUC before Oct. 19, 2021. If no one files a formal complaint, the PUC may grant all, some or none of the request without holding a hearing before a PUC judge. You can request a formal complaint form by writing to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265, or by going to its website: www.puc.pa.gov.

LIMERICK WW

Return Service Requested



Limerick WW

M56

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Single Family Home customers using 4,000 gallons a month would increase from \$70.13 to \$83.42 per month.
- Townhome customers using 3,000 gallons a month would increase from \$54.30 to \$72.34 per month.
- Commercial customers using 44,500 gallons a month would increase from \$338.69 to \$532.16 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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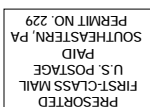
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East Bradford Collection WW

Return Service Requested



East Bradford Coll WW

M57

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Aqua's commitment to ongoing system investments helps ensure uninterrupted service and the appropriate treatment of wastewater to protect the environment. It also helps protect our customers from critical systems failures that many U.S. communities are now facing due to aging water and wastewater infrastructure.

If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 4,200 gallons a month would increase from \$37.31 to \$50.40 per month.
- Commercial customers using 3,200 gallons a month would increase from \$33.40 to \$45.12 per month.
- Industrial customers using 1,300 gallons a month would increase from \$25.97 to \$35.08 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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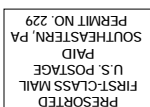
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CHELTENHAM WW

Return Service Requested



762 W. Lancaster Ave.
Bryn Mawr, PA 19010



Cheltenham WW

MS8

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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 3,600 gallons a month would increase from \$35.91 to \$55.91 per month.
- Commercial customers using 24,500 gallons a month would increase from \$172.59 to \$192.60 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

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East Norriton WW

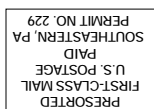
East Norriton WW

762 W. Lancaster Ave.
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M59

Return Service Requested



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If the Company's entire request is approved, the typical wastewater bill for:

- Residential customers using 5,100 gallons a month would increase from \$89.72 to \$123.27 per month.
- Commercial customers using 78,400 gallons a month would increase from \$1,855.93 to \$2,550.05 per month.

Aqua's filing with the PUC also requests a combined revenue requirement for the Company's water and wastewater operations.

To find out how the request may change your wastewater bill, or to address any other questions you might have, contact Aqua at 877.987.2782. You can find the rates we asked for in Original Tariff Water – PA P.U.C. No. 3 and Original Tariff Sewer – PA P.U.C. No. 3, filed with the PUC or on our website at AquaAmerica.com. You may review the material we filed with the PUC at our office in Bryn Mawr, Pennsylvania. You can also ask us to send you a copy of our Statement of Reasons, which is a plain-language summary of why we need to raise our rates.

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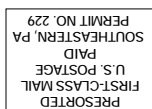
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NEW GARDEN WW

Return Service Requested



New Garden WW

M60

AQUA PENNSYLVANIA, INC.
(hereinafter referred to as the "Company")

RATES, RULES, AND REGULATIONS
GOVERNING THE DISTRIBUTION AND SALE OF
WATER SERVICE
IN PORTIONS OF

ADAMS, BERKS, BRADFORD, BUCKS, CARBON, CHESTER, CLARION, CLEARFIELD,
COLUMBIA, CRAWFORD, CUMBERLAND, DELAWARE, FOREST, JUNIATA,
LACKAWANNA, LAWRENCE, LEHIGH, LUZERNE, MERCER, MCKEAN, MONROE,
MONTGOMERY, NORTHHAMPTON, NORTHUMBERLAND, PIKE, SCHUYLKILL,
SUSQUEHANNA, SNYDER, VENANGO, WARREN, WAYNE, AND WYOMING COUNTIES

IN THE COMMONWEALTH OF PENNSYLVANIA

ISSUED: August 20, 2021

EFFECTIVE: October 19, 2021

By:

Marc Lucca, President
Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

NOTICE

THIS TARIFF PROPOSES INCREASE IN RATES AND CHANGES IN RULES AND
REGULATIONS OF SERVICE.

LIST OF CHANGES MADE BY THIS TARIFF

This proposed TARIFF WATER-PA P.U.C. NO. 3 as filed by Aqua Pennsylvania, Inc. on August 20, 2021 supersedes TARIFF WATER-PA P.U.C. NO. 2.

This proposed tariff also resets the Distribution System Improvement Charge (DSIC) to zero percent, simultaneously with the effective date of the new base rates.

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ATTACHMENTS

Attachment A – Terms and Conditions for Termination of Water for
Non-Payment of Sewer

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DESCRIPTION OF TERRITORIES SERVED

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Adams County

The Townships of Mount Joy and Cumberland

Berks County

The Townships of Bern, Centre, Cumru (portion), Marion, Robeson, and Union

Bradford County

The Boroughs of Athens, Sayre, and South Waverly and the Township of Athens

Bucks County

The Borough of Bristol and the Townships of Bensalem, Bristol, Chalfont, Lower Southampton, New Britain, Solebury, and Upper Southampton

Carbon County

The Township of Kidder

Chester County

The Boroughs of Malvern and West Chester and the Townships of Birmingham, Caln, Charlestown, East Bradford, East Brandywine, East Caln, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Whiteland, Easttown, Franklin, Honey Brook, Middletown, Newlin, Pennsbury, Pocopson, Schuylkill, Thornbury, Tredyffrin, Upper Uwchlan, Uwchlan, Wallace, West Bradford, West Brandywine, West Goshen, West Pikeland, West Vincent, West Whiteland, Westtown, and Willistown

Clarion County

The Township of Richland

Columbia County

The Borough of Centralia and the Township of Mifflin

Cumberland County

The Townships of Monroe and South Middleton

Delaware County

The Boroughs of Aldan, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Landowne, Media, Millbourne, Morton, Norwood, Prospect Park, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, and Yeadon and the Townships of Aston, Darby, Edgemont, Haverford, Marple, Nether Providence, Newtown, Radnor, Ridley, Springfield, Thornbury, Tinicum, Upper Darby, and Upper Providence

Forest County

The Township of Jenks

Juniata County

The Township of Delaware

DESCRIPTION OF TERRITORIES SERVED

RATE ZONE 1 – MAIN DIVISION (cont'd) – All territories subject to Rate Zone 1 rates unless otherwise noted

Lackawanna County

The Borough of Moscow and the Townships of Covington, Glenburn, Jefferson, Lehigh, Madison, North Abington, Roaring Brook, South Abington, and Thornhurst

Lawrence County

The Townships of Mahoning, Pulaski, and Wilmington

Lehigh County

The Townships of Lower Macungie, South Whitehall, and Salisbury

Luzerne County

The Borough of Harveys Lake, Penn Lake, and White Haven and the Townships of Bear Creek, Butler, Conyngham (Portion), Dallas, Dennison, Exeter, Jackson, Kingston, Lake, Lehman, Rice, and Union

McKean County

The Borough of Mount Jewett and the Township of Hamlin

Mercer County

The Cities of Ferrell, Hermitage, and Sharon, the Boroughs of Mercer, West Middlesex, and Wheatland and the Townships of Coolspring, East Lackawannok, Findley, Jefferson, Lackawanna, Shenango, and Wilmington

Monroe County

The Townships of Barret, Hamilton, Polk, and Ross

Montgomery County

The Boroughs of Bryn Athyn, Conshohocken, Hatboro, Jenkintown, Narberth, Rockledge, and West Conshohocken and the Townships of Abington, Cheltenham, Horsham, Lower Merion, Lower Moreland, Perkiomen, Plymouth, Springfield, Upper Dublin, Upper Merion, Upper Moreland, Upper Providence, and Whitemarsh

Northampton County

The Township of Moore

Northumberland County

The City of Shamokin, the Boroughs of Kulpmont, Marion Heights, and Mount Carmel and the Townships of Coal, East Cameron, Mount Carmel, Ralpho, Shamokin, and Zerbe

Pike County

The Townships of Blooming Grove, Lackawaxen, and Palmyra

Schuylkill County

The Boroughs of Ashland, Deer Lake, Girardville, and Gordon and the Townships of Barry, Butler, Conyngham, East Union, Mount Carmel, North Union, and West Brunswick

DESCRIPTION OF TERRITORIES SERVED

RATE ZONE 1 – MAIN DIVISION (cont'd) – All territories subject to Rate Zone 1 rates unless otherwise noted

Snyder County

The Townships of Jackson, Monroe, and Penn

Susquehanna County

The Borough of Hop Bottom and the Township of Brooklyn

Venango County

The Borough of Emlenton and the Township of Richland

Warren County

The Borough of Clarendon and the Township of Mead

Wayne County

The Boroughs of Hawley, Honesdale, and Waymart and the Townships of Canaan (portion), Lake, Lehigh, Palmyra, Paupack, and Texas

Wyoming County

The Borough of Factoryville and the Townships of Tunkhannock and Washington

Consumption Charge Exceptions, Private Fire Service Charge Exceptions, and Public Fire Service Charge Exceptions apply for customers in the divisions formerly known as:

Beech Mountain Lake: The Townships of Butler and Dennison in Luzerne County

Bensalem Township: The Township of Bensalem in Bucks County

Bristol Township: The Townships of Bristol and Bensalem in Bucks County

Honesdale: The Borough of Honesdale and the Township of Texas in Wayne County

Kratzerville: The Townships of Jackson and Penn in Snyder County

Mifflin Township: The Township of Mifflin in Columbia County

Mount Jewett: The Township of Hamlin in McKean County

Robin Hood Lakes: The Township of Polk in Monroe County

Sand Springs: The Township of Butler in Luzerne County

DESCRIPTION OF TERRITORIES SERVED

RATE ZONE 2 – All territories subject to Rate Zone 2 rates unless otherwise noted

Chalfont Division

The Township of New Britain in Bucks County

Concord Park Division

The Township of Bensalem in Bucks County

Superior Division

The Townships of Washington in Berks County, North Coventry in Chester County, and Douglass, New Hanover, Lower Pottsgrove, Upper Frederick, Upper Pottsgrove, and Worcester in Montgomery County

Treasure Lake Division

The Township of Sandy in Clearfield County

RATE ZONE 3 – All territories subject to Rate Zone 3 rates unless otherwise noted

Oakland Beach Division

The Townships of Sadsbury and Summit in Crawford County

CS Water (Masthope) Division

The Township of Lackawaxen in Pike County

Eagle Rock Division

The Townships of Black Creek and Hazle in Luzerne County, Tobyhanna in Monroe County, and East Union and North Union in Schuylkill County

BUNKER HILL DIVISION

The Township of Clinton in Wyoming County

SUN VALLEY DIVISION

The Township of Chestnuthill in Monroe County

BELLE AIRE ACRES DIVISION (Receivership)

The Township of Jefferson in Lackawanna County

PHOENIXVILLE DIVISION

A portion of Upper Providence Township in Montgomery County and portions of East Pikeland and Schuylkill Townships in Chester County

DESCRIPTION OF TERRITORIES SERVED

Intentionally Blank

SCHEDULE OF RATES

METERED AND UNMETERED SERVICE CHARGE

The rates under this schedule apply to all customer classes in the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

Customer Charge (\$)	Rate Zone 1 & 2	Rate Zone 3	Bunker Hill Division	Sun Valley Division	Phoenixville Division
Fixed (per Customer)					
<u>Meter Size:</u>					
5/8 inch	\$ 22.40	\$ 32.40	\$ 11.80	\$ 18.00	\$ 4.90
3/4 inch	38.50	32.40			4.90
1 inch	65.30	65.30			9.90
1-1/2 inch	125.80	125.80			17.30
2 inch	179.10	179.10			37.00
3 inch	360.00	360.00			61.70
4 inch	585.00	585.00			123.30
6 inch	1,207.00	1,207.00			197.30
8 inch	2,112.00	2,112.00			419.30
10 inch	3,121.00	3,121.00			
12 inch	3,780.00				
Unmetered Charge	\$ 83.00	\$ 83.00			

SCHEDULE OF RATES

CONSUMPTION CHARGE - RESIDENTIAL

The rates under this schedule apply to all metered customers for water consumed per 1,000 gallons unless otherwise specifically identified below.

MONTHLY CONSUMPTION CHARGE

	Rate Zones 1 & 2	Rate Zone 3	Other
Residential			
Up to 2,000 Gallons	\$ 13.490		
Over 2,000 Gallons	15.971		
Up to 4,000 Gallons		\$ 12.231	
Over 4,000 Gallons		15.971	
<u>Consumption Charge Exceptions:</u>			
Rate per 1,000 gallons:			
Beech Mountain Lake	\$ 6.158		
Bristol Township	8.575		
Concord Park	10.566		
Treasure Lake	9.204		
Bunker Hill			\$ 6.660
Sun Valley			\$ 5.000
Phoenixville			
Up to 333,300 Gallons			\$ 4.440
Next 1,333,400 Gallons			\$ 3.626
Over 1,666,700 Gallons			\$ 2.960

SCHEDULE OF RATES

CONSUMPTION CHARGE – COMMERCIAL AND PUBLIC

The rates under this schedule apply to all metered customers for water consumed per 1,000 gallons unless otherwise specifically identified below.

MONTHLY CONSUMPTION CHARGE

	Rate Zones 1, 2 & 3	Other
Commercial		
Up to 10,000 Gallons	\$ 14.814	
Next 23,300 Gallons	13.015	
Next 300,000 Gallons	10.798	
Over 333,300 Gallons	9.883	
Public		
Up to 10,000 Gallons	\$ 14.814	
Next 23,300 Gallons	13.015	
Next 300,000 Gallons	10.674	
Over 333,300 Gallons	9.769	

Consumption Charge Exceptions: Rate per 1,000 gallons

Beech Mountain Lake	\$ 6.158
Bristol Township	\$ 14.814
Concord Park	\$ 10.566
Treasure Lake	\$ 9.204

Phoenixville: (Commercial & Public Classes)

Up to 333,300 Gallons	\$ 4.440
Next 1,333,400 Gallons	\$ 3.626
Over 1,666,700 Gallons	\$ 2.960

SCHEDULE OF RATES**CONSUMPTION CHARGE – INDUSTRIAL AND OTHER WATER UTILITIES**

The rates under this schedule apply to all metered customers for water consumed per 1,000 gallons unless otherwise specifically identified below.

MONTHLY CONSUMPTION CHARGE

	Rate Zones 1, 2 & 3	Other
Industrial		
Up to 10,000 Gallons	\$ 14.814	
Next 23,300 Gallons	13.015	
Next 300,000 Gallons	10.798	
Next 3,000,000 Gallons	9.883	
Next 6,666,700 Gallons	9.866	
Over 10,000,000 Gallons	7.892	

Consumption Charge Exceptions: Rate per 1,000 gallons

Phoenixville:

Up to 333,300 Gallons	\$ 4.440
Next 1,333,400 Gallons	\$ 3.626
Over 1,666,700 Gallons	\$ 2.960

Sales to Other Utilities: Rate per 1,000 gallons \$ 14.814

Tank Sales: Rate per 1,000 gallons \$ 14.814

SCHEDULE OF RATES

METERED AND UNMETERED PRIVATE FIRE SERVICE

The rates under this schedule apply throughout the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY PRIVATE FIRE SERVICE CHARGE

Customer Charge (\$)	Rate Zones 1, 2 & 3	Superior	Bensalem, Bristol and Honesdale
<u>Meter Size:</u>			
1 inch	\$ 7.60	\$ 7.60	\$ 7.60
1-1/2 inch	17.40	17.40	17.40
2 inch	43.00	32.10	43.00
3 inch	69.80	69.80	69.80
4 inch	118.10	118.10	118.10
6 inch	260.10	206.40	236.60
8 inch	453.70	174.00	391.60
10 inch	690.90	690.90	586.10
12 inch	1,913.90		
Consumption Charge: Rate per 1,000 gallons			
	\$ 14.81	\$ 14.81	\$ 14.81

SCHEDULE OF RATES

METERED AND UNMETERED PRIVATE FIRE SERVICE

The rates under this schedule apply throughout the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY PRIVATE FIRE SERVICE CHARGE

Residential Multiple Meter Fire Service Customer Charge (\$)

<u>Domestic Meter Size:</u>	<u>Fire Meter Size:</u>	
5/8 inch	3/4 inch	\$ 24.61
5/8 inch	1 inch	24.96
5/8 inch	1-1/2 inch	28.29
5/8 inch	2 inch	30.40
3/4 inch	1 inch	41.06
3/4 inch	1-1/2 inch	44.39
3/4 inch	2 inch	46.50
1 inch	1 inch	67.86
1 inch	1-1/2 inch	71.19
1 inch	2 inch	73.30
1-1/2 inch	1 inch	110.56
1-1/2 inch	1-1/2 inch	113.89
1-1/2 inch	2 inch	116.00
2 inch	1-1/2 inch	149.39
2 inch	2 inch	151.50

Consumption Charges will be billed at the appropriate residential metered water rates.

Private Hydrants \$ 54.65

Private Fire Hydrant Service Exceptions:

Peddlers View	\$ 36.40
Eagle Rock	\$ 31.90
Honesdale	\$ 36.40
Sand Springs	\$ 36.40
Phoenixville	\$ 31.50

Qualified Private Fire Hydrant \$ 36.40

SCHEDULE OF RATES

PUBLIC FIRE SERVICE

The rates under this schedule apply throughout the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE FOR EACH PUBLIC FIRE HYDRANT

Public Fire Hydrant	\$	31.15
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Public Fire Service Exceptions:

Bensalem Township	\$	24.90
Bristol Township		22.30
Chalfont		29.80
Concord Park		16.90
Kratzerville and Chalfont		29.80
Media Service Area = > 6" connection		34.00
Mifflin Township		19.50
Mount Jewett		12.20
Phoenixville		31.15

SCHEDULE OF RATES

UNMETERED CHARGES

The rates under this schedule apply to all customer classes in the territories served subject to the Rate Zones as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

MONTHLY SERVICE CHARGE

	Belle Aire Acres Division
Unmetered Charge	\$ 50.00

The James Black Water Service Company – Belle Aire Acres Development is being operated by Aqua under a Receivership established via Commission Order on September 3, 2019 at Docket No. M-2019-3012563. Aqua began its Receivership on September 11, 2019 and will continue to act as Receiver for the system until a final determination is made by the Commission.

SCHEDULE OF RATES

Intentionally Blank

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rate is available to a new industrial customer that has an alternative supply source or an existing industrial customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must execute a Service Agreement with the Company for a period of not less than two (2) years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of Supplement 21 to Tariff Water Pa. P.U.C. No. 1 (January 3, 2000).

III. Nomination of Standby Service

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Stand by Service. Standby Service will be available on a firm basis, an interruptible basis or combinations thereof.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The sum of the customer's nominated firm and interruptible Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

IV. Rate

Service Charge: The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates applicable to Rate Zone 1 - Main Division for the Industrial rate classification.

Demand Charges: The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm and interruptible standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Standby Service</u>	<u>Interruptible Standby Service</u>
Average Day Demand	10.8601	2.0658
Maximum Day Demand	1.3260	0.3320
Maximum Hour Demand	21.9230	2.3868

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

IV. Rate (cont'd)

Consumption Charges: In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event

Rate Zone 1 - Main Division Industrial Rates

Next gallons – Firm Average Day Demand Nomination multiplied by the days during the standby event

0.0709 per hundred gallons

Next gallons – Interruptible Average Day Demand Nomination multiplied by the days during the standby event

0.5377 per hundred gallons

All amounts above sum of previously described amounts

Rate Zone 1 - Main Division Industrial First Block

V. Terms and Conditions

Initial Notification of Company: Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm and interruptible standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event: When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

SCHEDULE OF RATES

INDUSTRIAL STANDBY RATE

V. Terms and Conditions (cont'd)

Use in Excess of Contractual Demands: If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and the previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment: The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rate is available to a new customer that has an alternative supply source or an existing customer that purchases water from the Company and develops or obtains a new source of supply. In order to obtain service under this rate, the customer must purchase water from the Company for resale or electric generation purposes and execute a Service Agreement with the Company for a period of not less than ten (10) years.

An alternative source of supply for a new customer or a new source of supply for an existing customer, for purposes of this tariff, means any external or internal source of water supply other than the Company, including expansion of, or additions to, an existing source of water supply, that has capacity available to supply the customer with at least 100,000 gallons per day of water on average and, in the case of an existing customer, was added after the effective date of Supplement 21 to Tariff Water Pa. P.U.C. No. 1 (January 3, 2000).

III. Nomination of Standby Service

The Service Agreement with the Company will identify the nature and amount of the customer's requirements for Standby Service. Standby Service will be available on a firm basis.

The amounts of Standby Service to be nominated are the customer's requirements to meet Average Day Demand, Maximum Day Demand and Maximum Hour Demand. The customer's nominated firm Maximum Day Demand shall be equal to the maximum day capacity of the new customer's alternative supply or the existing customer's new source of supply or such other reasonable amount agreed to by the Company and the customer.

IV. Rate

Service Charge: The monthly Service Charges under this rate schedule will be the same as those set forth on the Schedule of Rates applicable to Rate Zone 1 - Main Division for the customer's rate classification.

Demand Charges: The monthly Demand Charges under this rate schedule will be applied to the customer's nominated firm standby demands in hundred gallons as set forth in the Service Agreement and are as follows:

	<u>Firm Standby Service</u>
Average Day Demand	10.8601
Maximum Day Demand	1.3260
Maximum Hour Demand	21.9230

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

IV. Rate (cont'd)

Consumption Charges: In addition to the Service Charges and the Demand Charges, Consumption Charges will be rendered for all water delivered during the standby event in accordance with the following schedule:

Up to Average Daily Deliveries by Company during the seven days preceding the beginning of the standby event multiplied by the days during the standby event

Rate Zone 1 - Main Division Rates

Next gallons – Firm Average Day Demand Nomination multiplied by the days during the standby event

0.0709 per hundred gallons

All amounts above sum of previously described amounts

Rate Zone 1 - Main Division First Block

V. Terms and Conditions

Initial Notification of Company: Each customer that develops or obtains a new source of supply and retains a connection to the Company's system becomes a Standby Service customer and shall notify the Company within ten (10) days of so doing. The notification shall include the Maximum Day capacity of the source of supply and the customer's nominations of firm standby demand requirements. The customer shall within thirty (30) days of developing or obtaining such new source of supply enter into a Service Agreement with the Company for Standby Service.

Each customer that is taking service under a Standby Service Agreement and increases the capacity of its source of supply shall be subject to the same notification requirements with respect to the additional capacity.

Notification of Standby Event: When a customer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative designated in the Service Agreement as soon as practical. The customer shall advise the Company representative of the probable daily quantities and the expected duration of the standby event. The customer also shall provide the Company with a notarized affidavit within thirty (30) days of the beginning of the standby event that describes the cause of the interruption of the customer's alternative supply. When the customer no longer requires deliveries of water pursuant to this rate schedule, the customer shall notify the Company representative. The time between these two notifications shall constitute the duration of the standby event.

SCHEDULE OF RATES

RESALE AND ELECTRIC GENERATION STANDBY RATE

V. Terms and Conditions (cont'd)

Use in Excess of Contractual Demands: If and when the actual amounts of Standby Service Demands exceed the nominated amounts set forth in the Service Agreement, the actual demands shall become the nominated demands for the remainder of the term of the Service Agreement. Further, the customer will be billed an additional charge equal to the difference between the actual demand and the previously nominated demand multiplied by the applicable demand charge and the number of months since the beginning of the term of the Service Agreement.

Metering Equipment: The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement Standby Service and to monitor the customer's compliance with its terms and conditions.

SCHEDULE OF RATES**RIDER DIS – DEMAND BASED INDUSTRIAL SERVICE****I. Applicability**

This rate applies throughout the territory served under this tariff.

II. Availability

This rider is available to a customer or prospective customer that:

1. purchases or intends to purchase water from the Company for industrial purposes;
2. enters into a Service Agreement for a term of not less than 2 years;
3. during the original and any renewal terms of the Service Agreement, agrees to purchase a minimum of 10 million gallons of water per month at a daily load factor of not less than 0.60; and
4. has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES

RIDER DRS – DEMAND BASED RESALE SERVICE

I. Applicability

This rate applies throughout the territory served under this tariff.

II. Availability

This rider is available to a customer or prospective customer that:

1. purchases or intends to purchase water from the Company for resale purposes;
2. enters into a Service Agreement for a term of not less than 10 years;
3. during the original and any renewal terms of the Service Agreement, agrees to maintain a daily load factor of not less than 0.60; and
4. has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES**RIDER EGS – ELECTRIC GENERATION SERVICE****I. Applicability**

This rate applies throughout the territory served under this tariff.

II. Availability

This rider is available to the electric generating facilities of a customer or prospective customer that:

1. is engaged in the business of generating electric power for sale to the public or public utilities;
2. enters into a Service Agreement for a term of not less than 10 years;
3. during the original and any renewal terms of the Service Agreement, agrees to purchase a minimum of 10 million gallons of water per month; and
4. has a viable competitive alternative to service from the Company and intends to select that alternative to the detriment of the Company and its other customers.

The Company shall require documentation to establish, to the Company's satisfaction, the existence of a competitive alternative. Such documentation may include, but is not limited to, an affidavit of the customer or, if the customer is a corporation, an affidavit of one or more of its officers.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; and (3) shall be subject to an Escalation Clause, as hereafter defined.

Maximum Rate: The Maximum Rate shall be the charges specified in the Company's Rate Schedule that would otherwise apply to the qualifying customer absent this rider.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water; (2) the fixed costs (depreciation and pre-tax return) associated with the facilities necessary to serve the customer; and (3) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES

RIDER OPI – OFF PEAK/INTERRUPTIBLE RATE SERVICE

I. Applicability

This rate applies throughout the territory served under this tariff where the capacity exists to provide this service.

II. Availability

This rider is available to a customer or prospective customer that:

1. purchases or intends to purchase water from the Company for any purposes;
2. purchases at least 80% of its water from the Company during the off-peak hours of 10:00PM to 5:00AM;
3. purchases a minimum of six million gallons of water per year during the contracted period; and
4. enters into a Service Agreement for a term of not less than one year.

III. Rate

The rate(s) to be charged qualifying customers under this rider will be as set forth in the Service Agreement, provided, however, that such rate(s): (1) shall not exceed the Maximum Rate; (2) shall not be less than the Minimum Rate; (3) may include a Minimum Charge upon the discretion of the Company, if it is anticipated that there are other customer expenses to be incurred besides the Metering Equipment; and (4) shall be subject to an Escalation Clause, as hereafter defined. If during the month, the customer purchases less than 80% of its water during the off-peak hours, the rate to be charged for consumption will be the Maximum Rate.

Maximum Rate: The Maximum Rate shall be the otherwise applicable volumetric charges specified in the Company's Rate Schedule for the Main Division.

Minimum Rate: The Minimum Rate shall be sufficient to recover: (1) the Production Cost of Water and (2) some portion of the fixed costs of the Company's other facilities. For purposes of this rider, the Production Cost of Water shall be the variable cost the Company incurs to produce additional treated water, which consists of expenses for electric power, chemicals and purchased water (where applicable).

Escalation Clause: The rate set forth in the Service Agreement shall be subject to an Escalation Clause, during the original and any renewal terms of the Service Agreement, based upon changes in published price indices and/or changes in the Company's cost of service, as the Company and the qualifying customer shall agree.

SCHEDULE OF RATES**RIDER OPI – OFF PEAK/INTERRUPTIBLE RATE SERVICE****I. Terms and Conditions**

Interruption of Service: The Company may require the customer to interrupt its water usage to assist the Company in addressing a system emergency, including insufficiency, for any reason, of the Company's source of supply, treatment/purification, pumping, transmission, storage, or distribution capacity to serve other customers' demands. The customer will be provided not less than one hour's notice before an interruption is expected to begin. Notice may be by telephone to the customer contact identified in the Service Agreement.

Failure to Interrupt: Failure to comply with the Company's request for interruption shall result in all usage by the customer, during the billing period in which such interruption was requested, being billed at the Company's otherwise applicable Schedule of Rates for the Rate Zone 1 - Main Division plus \$0.05 per hundred gallons. If the customer fails to comply with the Company's requests for interruption three times during any one year period, measured in twelve month intervals commencing on the effective date of the Service Agreement, the customer shall cease to be eligible for service under this rider and shall thereafter be billed under the otherwise applicable Schedule of Rates.

Metering Equipment: The customer shall pay the Company the cost, including installation, of all metering equipment, including meter interface units, that the Company, in its sole judgment, determines is necessary to properly implement the rate and to monitor the customer's compliance with the availability criteria and terms and conditions hereof.

Inspection: The customer shall permit Company personnel and the Company's authorized agents, representatives, consultants and experts access to the customer's facilities during regular business hours and upon not less than 24 hours' notice and shall permit inspection thereof to determine, to the Company's satisfaction, whether the customer is in compliance with the availability criteria and terms and conditions hereof.

Filing With The Pennsylvania Public Utility Commission/Confidentiality: Service Agreements entered into between the Company and qualifying customers under this rider shall be filed with the Commission on a confidential basis within thirty (30) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 PA Code §1.74.

SCHEDULE OF RATES**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a surcharge of 4.60% shall apply to all bills issued, excluding public fire hydrants, on or after the Effective Date at the bottom of this page.

I. General Description

Purpose: To recover the reasonable and prudent costs incurred to repair, improve or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Utility projects receiving PENNVEST funding or using PENNVEST surcharges are not DSIC-eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

- Services (account 3330), meters (account 3340) and hydrants (account 3350) installed as in-kind replacements for customers;
- Mains and valves (account 3310) installed as replacements for existing facilities that have worn out, are in deteriorated condition, or upgraded to meet Chapter 65 regulations of Title 52;
- Main extensions (account 3310) installed to eliminate dead ends and to implement solutions to regional water supply problems that have been documented as presenting a significant health and safety concern for customers currently receiving service from the Company or the acquired Company;
- Main cleaning and relining (account 3310) projects; and
- Unreimbursed funds related to capital projects to relocate Company facilities due to highway relocations. (account 3310)

Effective Date: The DSIC will become effective for bills issued on and after January 1, 1997.

II. Computation of the DSIC

Calculation: The initial charge, effective January 1, 1997, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between September 1, 1996 and November 30, 1996. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

II. Computation of the DSIC (cont'd)

<u>Effective Date of Change</u>	<u>Date to Which DSIC Eligible Plant Additions Reflected</u>
April 1	December 1 to February 28/29
July 1	March 1 to May 31
October 1	June 1 to August 31
January 1	September 1 to November 30

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax Return: The pre-tax return will be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection and the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for sales of water (including all applicable clauses and riders) for the quarterly period during which the charge will be collected, exclusive of revenues from public fire protection service and STAS.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

II. Computation of the DSIC (cont'd)

Formula: The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep}}{\text{PQR}} + \frac{e}{\text{PQR}}$$

Where:

DSI = The original cost of eligible distribution system improvement projects, net of accumulated depreciation.

PTRR = The pre-tax return rate applicable to eligible distribution system improvement projects.

Dep = Depreciation expense related to eligible distribution system improvement projects.

e = The amount calculated under the annual reconciliation feature or Commission Audit, as described below.

PQR = Projected quarterly revenue will be based on the applicable three-month period, (including all applicable clauses and riders) including revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Bureau of Investigation & Enforcement, the Office of Consumer Advocate, Bureau of Audits and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Safeguards

All Customer Classes: The DSIC shall be applied equally to all customer classes, with the exception of any future customers with negotiated contracts for which a reduction or exemption is shown to be reasonably necessary.

Cap: The DSIC will be capped at 7.50% of the amount billed to customers (including all applicable clauses and riders) under otherwise applicable rates and charges.

SCHEDULE OF RATESDISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**III. Safeguards (cont'd)**

Audits/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage-lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec.101, et seq.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

New Base Rates: The charge will be reset at zero, as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base would be reflected in the quarterly updates of the DSIC.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Report show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearnings on one days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any over-collection to customers and is entitled to recover any under collection as set forth in Section III Safeguards – Audits/Reconciliations. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

Public Fire Protection: The DSIC of a water utility will not apply to public fire protection customers.

SCHEDULE OF RATES

STATE TAX ADJUSTMENT SURCHARGE (STAS)

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills issued on or after the Effective Date at the bottom of this page.

The above surcharge will be recomputed using the element prescribed by the Commission in its policy at 52 PA Code section 69.51 et seq.:

- On or before March 31 of each year; and/or
- Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in the state tax liability arising under the law.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations or orders. If the recomputed surcharge is less than the one in effect, the Company will, or if the recomputed surcharge is more than the one in effect, the Company may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations or orders. In the event that the Company files an increased surcharge subsequent to 10 days after the occurrence of an event which occasions a recomputation, the effective date of such tariff or supplement shall be 60 days after filing in accordance with section 1308(a) of the Public Utility Code, 66 Pa.C.S. § 1308(a) (regarding voluntary changes in rates), unless otherwise directed by the Commission.

The surcharge shall be rolled into base rates when increased or decreased base rates are made effective.

SCHEDULE OF RATES**FEDERAL TAX ADJUSTMENT SURCHARGE (FTAS)**

The Federal Tax Adjustment Surcharge ("FTAS") is instituted as a mechanism to adjust for changes in the federal corporate income tax rate that are not reflected in the Company's most recent general base rate proceeding. The FTAS is applicable to all base rates under this Tariff. The amount of the adjustment will be determined as provided below.

I. Determination of the Change in Recoverable Federal Income Taxes Resulting from Increases or Decreases in the Federal Corporate Income Tax Rate ("FITA").

a. FITA shall include the effect of the increase or decrease in the federal corporate income tax rate on:

- i. the provision in rates for recovery of current federal income taxes;
- ii. the provision in rates for recovery of deferred federal income taxes; and
- iii. any provision in rates for adjustment of previously deferred federal income taxes recorded at a different federal income tax rate.

b. The increases/decreases in annual revenues under this Rider will be calculated based on either the federal tax amounts associated with utility investments, revenues and expenses allowed in the Company's most recent general base rate proceeding if fully determined in a Final Order, if available, or on the federal tax amounts associated with utility investments, revenues and expenses incurred by the Company in the calendar year preceding the effective date of the tax rate change. If any base rate revenue increase is granted during such calendar year or thereafter, the actual federal tax amounts will be adjusted to reflect the annualized increase in federal corporate income taxes resulting from the allowed increase in base rate revenues.

II. Allocation of Increased/ Decreased Revenues to Rate Classes

a. The required increase/decrease in revenues to reflect the change in the federal corporate income tax rate calculated pursuant to this Rider shall be applied by equal percentage to all base rates.

SCHEDULE OF RATES

FEDERAL TAX ADJUSTMENT SURCHARGE (FTAS) (cont'd)

III. Calculation and Filing of Adjusted Rates For Changes in the Federal Corporate Income Tax Rate

- a. To calculate the FTAS, the required increase/decrease in revenues will be divided by the Company's projected annual revenue for water service for the period during which the charge will be collected, exclusive of State Tax Adjustment Surcharge (STAS) and automatic adjustment clause revenues.
- b. The surcharge will be expressed as a percentage carried to two decimal places and will be applied to the total base charges that are billed to each customer for water service.
- c. The surcharge will be filed to become effective on ten (10) days' notice as soon as practicable following the effective date of the federal corporate income tax change, including appropriate supporting data demonstrating the calculation of the revenue adjustment and determination of the surcharge.
- d. After the initial filing, the FTAS surcharge shall be filed with the Commission by April 1 of each year that it is in place.
- e. The FTAS shall be applied on a bills rendered basis.

IV. Formula

The computation of the FTAS is as follows:

$$\text{FTAS} = \frac{((\text{FITA} * \text{GRCF}) + e)}{\text{PAR}}$$

$$\text{GRCF} = (1/((1-\text{SIT}) * (1-\text{FIT})))$$

Where:

FITA = Reflects the federal income tax adjustment, if any, as defined in Part A of this Rider and may be a positive or negative value.

GRCF = Gross Revenue Conversion Factor.

SIT = State Income Tax rate in effect at the time of the filing.

FIT = Federal income tax rate in effect at the time of the filing.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit.

PAR = Projected annual revenues for base service (excluding all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be acquired or lost by the beginning of the applicable service period.

SCHEDULE OF RATES

FEDERAL TAX ADJUSTMENT SURCHARGE (FTAS) (cont'd)

V. Reconciliation

- a. The surcharge shall be reconciled on an annual basis to provide for over/under-recoveries of the revised revenues to be recovered. The revenue received under the FTAS for the reconciliation period will be compared to the Company's required increase/decrease in revenues as defined in Part A. The difference will be recouped or refunded, as appropriate, over a one-year period commencing on April 1 of each year. The surcharge will be reconciled at the end of each calendar year and will remain in place until the Company files and the Commission approves new base rates for the Company pursuant to Section 1308(d).
- b. Under- or over-recoveries of the required revenue changes to reflect a delay in implementation of the surcharge following the effective date of the federal corporate income tax rate, including the effect of implementation of a federal corporate income tax rate change on a retroactive basis, will be reconciled in the first annual reconciliation filing.
- c. Upon determination that the surcharge, if left unchanged, would result in a material over- or under- collection, the Company may file with the Commission, on at least ten (10) days' notice, for an interim revision of the FTAS.
- d. Interest will not be applied to reconciled amounts.
- e. The FTAS will not be included in the calculation of the Distribution System Improvement Charge ("DSIC").

SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM AND UNIVERSAL SERVICE RIDER****Customer Assistance Program (“CAP”):****I. Availability**

The CAP is a program designed to enroll residential Customers who satisfy the criteria set forth below (“CAP Program”).

Processing and verification by authorized agencies upon referral by the Company’s offices, other agencies, or the Commissions Bureau of Consumer Services.

Residential Customer of the Company.

Annual income no greater than 200 percent of the federal poverty limit (“FPL”). For payment purposes Customers will be defined as follows:

- a. Tier 1 – Customers whose annual income has been verified as being at or below 100 percent of FPL.
- b. Tier 2 – Customers whose annual income has been verified as being at or above 100 percent FPL or less than 150 percent of FPL.
- c. Tier 3 – Customers whose annual income has been verified as being at or above 150 percent FPL or less than 200 percent of FPL.

II. Rate Table

Eligible Customers will receive a pay the discounted rates as set forth below:

<u>Tier</u>	<u>Customer Charge</u>	<u>Consumption Charge</u>
1	100% discount on Customer Charge	100% discount on first 2,000 gallons
2	100% discount on Customer Charge	50% discount on first 2,000 gallons
3	100% discount on Customer Charge	0% discount on first 2,000 gallons

SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM AND UNIVERSAL SERVICE RIDER (cont'd)****III. Surcharges**

All surcharges applicable under the Company's Rules and Regulations shall still apply to Customers under the CAP Program.

IV. Late Payment Charges

No late payment charges shall be applied to arrearages existing at the time the Customer begins receiving service under the CAP Program. Late payment charges will not be applied during participation in the CAP Program.

V. Rules and Regulations

If, at any time after acceptance into CAP, a Customer's family size or income changes, the Customer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the Customer's opportunity to receive service under the CAP Program.

If a Customer no longer satisfies the criteria set forth under Availability, the Customer will no longer be eligible to receive service under the CAP Program.

At the time of application to the CAP Program, the Customer will be advised of the importance of timely payments and water conservation. The CAP Program screening administrator will review relevant assistance programs and offer help in applying for such programs.

Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.

SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM AND UNIVERSAL SERVICE RIDER (cont'd)**

Universal Service Rider (“USR”): This rider shall be applicable to all residential Customers except for any residential Customers served in the Company’s Customer Assistance Program (“CAP”). This rider covers costs related to the Company’s universal service program.

I. Rate

USR per 1,000 gallons \$0.00

The charges assessed per this USR shall be assessed to residential Customers served under all Rate Zones. Charges assessed per this rider shall not be applicable to Industrial Standby Rate, Resale and Electric Generation Standby Rate, Rider DIS, Rider DRS, Rider EGS, or Rider OPI.

Costs related to the following universal service programs shall be calculated and recovered per this USR: CAP Costs and Emergency Repair and Conservation Program.

CAP Costs will be calculated to include the following components:

- a. Projected CAP Discounts – Projected CAP discount costs for the projected annual period
- b. Pre-Program Arrearage Forgiveness – Projected CAP pre-program arrearage forgiveness costs for the projected annual period.

Emergency Repair and Conservation Program Costs will be calculated based on the projected annual budget which is not subject to carryover of prior year unused dollars into the current year. Third party costs for the purposes of CAP administration will be included in the calculation of the USR.

The applicable unit for this rider shall be determined by dividing the total universal service plan costs by the annual projected residential volumes established in the Company’s most recent base rate case.

II. Quarterly Adjustment

Effective with each quarterly Section 1307(e) change, the unit rate under this USR shall be recalculated to reflect the current cost data for the costs components outlined above. The updated rate will be filed to be effective one day after filing.

III. Annual Reconciliation

As part of the quarterly adjustment filed February 1, effective on April 1 of each year, the Company shall include a reconciliation of actual revenues recovered under USR and actual universal service costs incurred for the twelve-month period ended December 31. The resulting over/under collection will be included in the quarterly USR rate adjustment to be effective April 1.

SCHEDULE OF RATES
ENERGY COST ADJUSTMENT MECHANISM**I. General Description**

Purpose: The purpose of the Energy Cost Adjustment Mechanism ("ECAM") is to recover changes in energy costs used to provide water to customers. The mechanism collects or refunds any difference between the energy costs included in base rates from the Company's last rate filing and the actual energy costs incurred in the period of calculation.

Surcharge/Surcredit: \$0.00 per 1,000 gallons

II. Computation of the Energy Cost Adjustment Mechanism

Calculation: At the time that the Company files its annual reconciliation, the application will include a reconciliation of the actual energy costs to the amount recovered in base rates per actual thousand gallons sold as established in the last rate case. Any increase or decrease in these costs would be divided by the projected normalized volumes increased for growth to develop a volumetric surcharge/surcredit applied to metered customers in the following 12-month period. In this way, the Company is protected from uncontrollable increases in costs and the customers will receive the benefit of decreases if those costs are less than those included in rates. At the end of a 12-month period, the amount refunded/collected via the mechanism would be compared to the actual costs to be refunded/collected and the difference would be added or subtracted to the difference to be recovered/refunded in the following period.

$$ECAM = ((AECr - BECr) / 1,000)$$

ECAM = The surcharge/surcredit consumption rate (per 1,000 gallons)

BEC = Energy Costs set in the Company's most recent base rate case

BV = Sales volumes in million gallons (MG) included in the Company's most recent base rate case

BECr = Energy Cost per MG included in the Company's most recent base rate case (BECr = BEC / BV)

AEC = Actual energy costs for the current period plus or minus any over/under collection of energy costs due to the ECAM from the prior year

AV = Actual sales volumes in MG for the current period

AEC_r = Actual Energy Cost per MG (AEC_r = AEC / AV)

PV = Projected Sales Volumes per MG

SCHEDULE OF RATES

ENERGY COST ADJUSTMENT MECHANISM (cont'd)

III. Filing

Within 60 days after the 12 months ended December 31 each year, the Company shall file with the Commission a computation of the change in the Company's cost of energy. If the computation shows a decrease in energy costs to be credited to Customers, the Company shall file a new ECAM to implement a ECAM credit on Customers' bills to become effective 15 days after the filing is made with the Commission unless the Commission directs otherwise. If the computation shows an increase in energy costs to be surcharged to Customers, Company may, in its sole option, file a new ECAM to implement a ECAM charge on Customers' bills to become effective 15 days after the filing is made with the Commission unless the Commission directs otherwise. At the time each filing is made with the Commission, copies thereof shall also be served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate.

IV. Safeguards

Audits/Reconciliation: The ECAM will be subject to audit at intervals determined by the Commission. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ended December 31, each year. The difference between the energy costs in base rates and the increase or decrease in energy costs in computation of the charged filed with the Commission (prorated as appropriate) will be recouped or refunded, as appropriate, in accordance with Section 1307(e) over a one-year period commencing on April 1 of each year.

New Base Rates: The ECAM will be reset at zero as of the effective date of new base rates that reflect the Company's actual energy costs.

Customer Notice: Customers shall be notified of a ECAM charge or credit or changes in any existing ECAM charge or credit by including appropriate information on the first bill they receive following the implementation of, or change in, any ECAM charge or credit.

SCHEDULE OF RATES**PURCHASED WATER ADJUSTMENT**

In addition to the net charges provided for in this Tariff, a charge of 0.00% will apply to all bills issued, excluding public fire hydrants, on and after the Effective Date at the bottom of this page.

I. General Description

Purpose: The purpose of the Purchased Water Adjustment ("PWA") is to adjust customers' bills to reflect changes in the Company's cost to purchase water.

Eligible Cost Changes: Eligible cost changes are changes in the Company's cost of purchased water that are caused by changes in the rates of non-affiliated suppliers from which the Company purchases water for resale to its customers.

II. Computation of the PWA

Calculation of Changes in Purchased Water Costs: Whenever a non-affiliated supplier changes the rates it charges for water sold to the Company for resale to the Company's customers, the Company shall compute the change in its cost of purchased water. If the calculation shows an increase in the Company's cost of purchased water, relative to its Baseline Cost, the Company may file a tariff supplement setting forth a PWA charge to be included on customers' bills to recover such increase. If the calculation shows a decrease in the Company's cost of purchased water, relative to its Baseline Cost, the Company shall file a tariff supplement setting forth a PWA credit to reduce customers' bills for such decrease.

Baseline Cost: The Baseline Cost is the annual level of purchased water costs allowed as an operating expense in the Company's last preceding base rate proceeding.

Baseline Consumption: The Baseline Consumption is the level of consumption, by supplier, that formed the basis for calculating the Baseline Cost in the Company's last preceding base rate proceeding.

Baseline Rates: The Baseline Rates are the rates, by supplier, that formed the basis for calculating the Baseline Cost in the Company's last preceding base rate proceeding.

Computation of Change: Changes in the Company's cost of purchased water will be calculated as follows:

- a. For each supplier whose rates have changed, the cost of purchased water will be computed by applying the supplier's new rates to the Company's Baseline Consumption from that supplier.
- b. For suppliers whose rates have not changed, the cost of purchased water will be computed by applying the suppliers' Baseline Rates to the Company's Baseline Consumption from such suppliers.
- c. The costs computed in 2.e.i. and 2.e.ii., above, will be summed to calculate the Company's new annual cost of purchased water.

SCHEDULE OF RATES

- d. The Company's new annual cost of purchased water will be compared to the Company's Baseline Cost. If the new annual cost of purchased water is below the Baseline Cost ("Eligible Decrease") the Company must file a new PWA reflecting a credit on customers' bills. If the new annual cost of purchased water is above the Baseline Cost ("Eligible Increase"), Company may, in its sole option, file a new PWA reflecting a charge on customers' bills.

Computation of PWA Credit or Charge: The PWA credit or charge will be expressed as a percentage carried to two decimal places and will be applied to the effective portion of the total amount billed to each customer under the Company's otherwise applicable rates and charges, excluding amounts billed for public fire protection service, the DSIC and the State Tax STAS. To calculate the PWA Charge or Credit, the Eligible Increase/Decrease, as applicable, will be divided by the Company's projected applicable revenue from sales of water for a prospective 12-month period commencing on the date the PWA Credit or Charge is to become effective.

III. Filing

Not more than 30 days after the effective date of any change in the rates of any supplier whose costs are included in the Company's Baseline Cost, the Company shall file with the Commission a computation of the change in the Company's cost of purchased water. If the computation shows an Eligible Decrease, the Company must also file a new PWA to implement a PWA credit on customers' bills to become effective 15 days after the filing is made with the Commission unless the Commission directs otherwise. If the computation shows an Eligible Increase, Company may, in its sole option, file a new PWA to implement a PWA charge on customers' bills to become effective 15 days after the filing is made with the Commission unless the Commission directs otherwise. At the time each filing is made with the Commission, copies thereof shall also be served upon the Bureau of Investigation and Enforcement, the Office of Consumer Advocate and the Office of Small Business Advocate.

IV. Safeguards

Cap on PWA Charge: A PWA charge may not exceed 3% of the amount billed to customers under otherwise applicable rates and charges.

Audits/Reconciliation: The PWA will be subject to audit at intervals determined by the Commission. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year. The revenue increase or decrease billed under a PWA charge will be compared to the Company's Eligible Increase or Eligible Decrease, which shall be prorated as appropriate if the PWA Charge or Credit was in effect for less than one year. The difference between the billed revenue increase or decrease and the Eligible Increase or Eligible Decrease (prorated as appropriate) will be recouped or refunded, as appropriate, in accordance with Section 1307(e) over a one-year period commencing on April 1 of each year.

New Base Rates: The PWA will be reset at zero as of the effective date of new base rates that reflect the Company's actual purchased water costs.

Customer Notice: Customers shall be notified of a PWA charge or credit or changes in any existing PWA charge or credit by including appropriate information on the first bill they receive following the implementation of, or change in, any PWA charge or credit.

RULES AND REGULATIONS**INTRODUCTION**

1. Effect of Rules and Regulations: These Rules and Regulations, filed as part of the Company's Tariff, shall govern the manner in which water service is provided to all Applicants and Customers. The Company may supplement these Rules and Regulations, and may revise and amend these Rules and Regulations from time to time subject to the approval of the Pennsylvania Public Utility Commission ("Commission"). The Company will follow Commission regulations not specifically addressed in these Rules and Regulations.

2. Types of Service Provided: There are four general types of service that are provided by the Company, as follows:

General Metered Service: Water service provided for general use by any of the following customer classes: residential, commercial, industrial, other water utility, or public. This type of service is also referred to as "domestic" service.

Fire Service: Water service provided to an unmetered fire hydrant, whether public or private, or through a separately metered service line to be utilized exclusively for fire protection of a building and/or property.

Qualified Private Fire Protection Service: Water service provided to an unmetered, privately-owned fire hydrant located in the public right-of-way which does not otherwise qualify for Public Fire Hydrant rates. Said hydrant shall be located on a service line serving that hydrant exclusively, and must be in the open, be visible, and shall not be more than fifty (50) feet from the Company main servicing the hydrant

Combined Fire & Domestic Service: Water service provided at the request of the Customer, subject to the Company's approval for all non-residential Customer classifications which utilize a single service line for both fire and domestic service. This service can be provided in accordance with the requirements of Rule 41 when the fire/domestic meter size is at least 4 inches.

In addition to the general application of these Rules and Regulations, special rules for the provision of fire service are contained in Rules 41 through 50, and special Rules for the provision of Construction Service are contained in Rules 39 and 40.

RULES AND REGULATIONS**INTRODUCTION (cont'd)**

3. Classes of General Metered Service: There are five classes of general metered service, based on the nature of the Customer and the use of the property receiving service, as follows:

Residential Class: An individually metered dwelling unit intended for human habitation (including a detached house, row home, townhouse, condominium and mobile home) or an individually metered home or building consisting of not more than two dwelling units.

Commercial Class: A building, store, restaurant or office which is primarily a site for the buying or selling of goods or the provision of professional or consumer services. In addition, apartments, condominium complexes, colleges, private and public schools, car washes, laundromats, construction sites, hotels, motels, and tanks filled at the Company's premise are included in this class.

Industrial Class: A building or factory which is primarily a site for the manufacture or production of goods.

Other Water Utility: A public water utility, Municipal Corporation or water authority which purchases water for resale to their customers.

Public: A public building, library, park or playground which is owned by a governmental unit which has the power of taxation.

RULES AND REGULATIONS**DEFINITIONS**

4. Definitions: Wherever used in the Rules and Regulations or elsewhere in the tariff of the company, the following terms shall have the meanings hereinafter set forth:

Applicant: A person, at least 18 years of age, who is not currently receiving service but has applied to the utility for service and whose name appears on the mortgage deed, or lease of the property for which service is requested.

Auxiliary Water Supply: A water supply, other than that provided by the Company, that is on or available to the Customer's premises, including, but not limited to, a supply from another public water supply agency, from a natural source such as a well, lake or spring, or from a source containing used water or industrial fluids.

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either existing or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

Commission: Pennsylvania Public Utility Commission

Company: Aqua Pennsylvania, Inc. and its duly authorized officers, agents and employees; each acting within the scope of his authority and employment.

Company Service Line: The service line owned by the Company that extends from the water main to the curb stop or curb line or such point as designated by the Company.

Construction Costs: All direct and indirect costs attributable to the material and installation of the subject main extension, services and appurtenances, and/or removal of existing Company facilities (including the net book value of property replaced or retired) whether incurred by the Builder or the Company.

Construction Services: Water service provided for construction purposes.

Creditworthiness: An assessment of an applicant's or customer's ability to meet bill payment obligations for utility service.

Curb Box: A cylindrical device with a lid, normally placed by the curb which affords access to the curb stop. Normally, this device is initially installed by the Company, but may be subject to having its condition or position adjusted by natural forces or the work of the developer or a plumber. Accordingly, it is the responsibility of the Customer to maintain the Curb Box in a safe condition, or to notify the Company either in writing or by telephone to make the necessary repairs or relocation to the Curb Box or Curb Box lid.

Curb Stop: A device owned, installed, maintained and controlled by the Company that can be turned to an open or closed position for the purpose of controlling the supply of water to the service property.

Customer: A person at least 18 years of age whose name is listed on the account and who is primarily responsible for the utility bill OR adult occupant whose name appears on the mortgage, deed, or lease for the service address.

RULES AND REGULATIONS**DEFINITIONS (cont'd)**

Customer Service Line: The service line owned by the Customer that extends from the Curb Stop or curb-line (or such point as designated by the Company) to the property or building being served.

Depositor: Any person(s) acting on behalf of Prospective Customer(s) for the purpose of entering into any type of agreement that requires a deposit of funds for extension of the Company's facilities.

Meter: A device furnished, installed, maintained and owned by the Company to register the consumption or use of water at the Customer's Property.

Meter Box/Vault: A structure which is owned and maintained by the Customer, having been installed by an agent for or on behalf of the Customer, in accordance with Company specifications, for the purpose of housing the Meter outside of the Customer's building, at an underground location mutually agreed upon between the Customer and Company. It is the responsibility of the Customer, as the owner of the Meter Box/Vault to maintain the Meter Box/Vault and lid in a safe condition.

Metered Manifold: A domestic service line that contains more than one metered service. When more than one meter is installed upon a Customer's premise at the request of a Customer or due to conditions existing upon the premise of the Customer, then each meter shall be treated separately as if it belonged to a separate Customer.

Person: Any individual, firm, company, association, society, corporation, institution, group, or any other legal entity.

Plumbing Fixture Standards: The water use standards that have been adopted by the Delaware River Basin Commission (at Resolution 88-2 Revised) and subsequently recommended by the Commission for plumbing fixtures installed in new construction and in existing structures undergoing renovations involving replacement of such fixtures, as follows:

<u>Plumbing Fixture</u>	<u>Water Use Standard</u>
Showerheads	3.0 gallons/minute
Lavatory faucet	3.0 gallons/minute
Kitchen faucet	3.0 gallons/minute
Water closets	1.6 gallons/flush
Urinals	1.5 gallons/minute

Premise: A single lot or piece of ground consisting of a single residential unit, together with all buildings and structures erected thereon.

Private Fire Hydrant: A fire hydrant furnished, installed, owned and maintained by the Company that has been requested by an Applicant and approved by the municipality, but where the municipality has refused to accept payment of the applicable rate as set forth in the Company's rate schedule.

RULES AND REGULATIONS**DEFINITIONS (cont'd)**

Property: In general terms, a separate parcel of land owned in fee simple absolute, including any home(s), condominium(s), Home Owner's Association or building(s) affixed thereto, which is delineated by the description contained on the recorded deed, and which may be further delineated by any public roads.

Prospective Customer: Any owner, tenant or lessee of a property that is expected to be receiving water service for at least one year following the commencement of water service.

Public Fire Hydrant: A fire hydrant furnished, installed, owned and maintained by the Company that has been requested by the municipality, or requested by an Applicant and approved by the municipality, where the municipality has accepted responsibility for payment of the applicable rate as set forth in the Company's rate schedule.

Qualified Private Fire Protection Service: Water service provided to an unmetered, privately-owned fire hydrant located in the public right-of-way which does not otherwise qualify for Public Fire Hydrant rates. Said hydrant shall be located on a service line serving that hydrant exclusively and must be in the open, be visible, and shall not be more than fifty (50) feet from the Company main servicing the hydrant.

Residential Structure: When used with respect to metered Residential Fire Service, a home or building which contains only individually metered dwelling units intended for human habitation.

Service Connection: The installation by the Company of the Company Service Line. See Definition for Company Service Line.

Shall: is mandatory; May is permissive

Special Devices: Devices that are owned and maintained by the Customer on the Customer's plumbing system at the requirement of the Company. Special Devices include, but are not limited to, the following:

Backflow Preventer: A device designed to prevent a potential backflow of contaminants from the Customer's activities or property into the Company's distribution system.

Check Valve: A device designed to allow the flow of water only in one direction.

Control Valve: A device designed to stop the flow of water when the valve is closed.

Pressure Reducing Valve: A device designed to reduce the water pressure within the Customer's building below that which exists on the Company's distribution system.

Pressure Relief Valve: A device designed to relieve pressure on the internal plumbing system of the Customer's property.

RULES AND REGULATIONS**APPLICATION FOR SERVICE**

5. Notification of Change in Ownership or Occupancy at an Existing Service Property: Upon any change in ownership of property where the owner is the Customer, or in the tenancy where the tenant is the Customer, or in the type of service rendered, the Customer must so advise the Company which shall thereafter have the right to discontinue the water supply until a new application has been made and approved for the new Customer.

6. Application for Water Service by a New Owner or Occupant at an Existing Service Property: Where a Customer's Service Line exists on a property to be served in compliance with the Company's rules, water service will be furnished by the Company as soon as reasonably practicable after written or oral application of the owner or tenant of the property or his properly authorized agent. The Customer receiving service takes such service subject to the Company's Tariff, including its Rules and Regulations.

7. Application for Water Service to a Proposed Service Property: Where an adequate water distribution main abuts the Customer's property, a service connection will be made as soon as reasonably practicable after the appropriate application forms have been completed by the property owner or his properly authorized agent and subsequently submitted to, and approved by, the Company. Where an adequate water distribution main does not abut the Customer's Property, the Customer must make necessary arrangements with the Company's New Business Office for the extension of a water distribution main in accordance with the Company's Rules and Regulations. Service Connection application forms will be furnished by the Company on request.

RULES AND REGULATIONS**DEPOSITS AND CREDIT STANDARDS**

8. General: Deposits may be required from Applicants for new service and extension of service. Residential Customers will not be required to pay a security deposit in order to receive service from the Company. The Company will pay income tax on any deposit, advance, contribution or other like amounts received from an Applicant which shall constitute taxable income to the Company as defined by the Internal Revenue Service and required by the Pennsylvania Public Utility Commission. Such income taxes shall be segregated in a deferred account for inclusion in rate base in a future base rate case proceeding. Such income tax associated with a deposit, advance, or contribution will not be charged to the Person providing such deposit, advance, or contribution.

9. Creditworthiness: Upon application for water service, the Company may require the Applicant/Customer to provide valid identification, a valid deed lease or mortgage evidencing the Applicant/Customer's residency at the Property/Premise, and/or payment of an outstanding balance owed by the customer which accrued within the past 4 years for which the Applicant/Customer is legally responsible.

The Company may determine liability for a past due balance by:

- Use of Company records that contain information previously provided to the Company;
- Information contained on a valid mortgage, lease or deed;
- Use of commercially available public records databases; and
- Government and property ownership record.

10. Reserved for Future Use

RULES AND REGULATIONS**BILLING AND PAYMENT**

11. Methods of Payment: Bills are payable by mail, by direct debit, in person at any authorized pay agency or as otherwise authorized by the Company.

12. Landlord Assumption of Responsibility: If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to water or wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

13. Bills and Billing History: Bills based on estimated water use shall be subject to review upon the Customer's request and submission by the Customer of information as to unusual water use. In all other cases, billing shall be made as soon as practicable after the reading of respective meters. In the case of fire hydrants, bills will be rendered for each applicable period. Where a Customer receives water service during a period when a water meter is not installed at the Property, the Company may issue the Customer a bill based on the estimated usage for that period. A Customer may obtain from the Company, at no charge to the Customer, the billing history for up to ten accounts per year in the name of the Customer, provided that the Customer submits a written request for such information directly to the Company. Additional requests will be processed subject to the Company's right to charge the Customer its incremental costs of providing such billing histories.

14. Delinquent Bills: If a rendered bill remains unpaid for a period of 20 days for residential customers and 15 days for non-residential customers, it shall be classified as delinquent. However, if the last day of such period falls on a Saturday, Sunday, a holiday or day when the Company's offices are closed, the delinquency date shall be the next succeeding business day. Payments by mail will be deemed made on the date of the postmark. Payments to the Company drop box or authorized payment agent will be deemed received when paid at that location. Service may be terminated for non-payment of bills in accordance with the Commission's regulations. If service is thus terminated it will not be restored until all outstanding charges provided by the Commission's regulations and the tariff of the Company are paid or satisfactory arrangements are entered for payment. If a dispute of a water bill has arisen as defined in the Commission's regulations, the Customer is responsible for paying the undisputed portion of such bill and termination of service may occur if the undisputed billings become delinquent.

15. Late Payment Charge: If payment has not been received by the Company for five days after the bill has been classified as delinquent, a late charge (penalty) of 1.25% will be applied to the account and such late charge (penalty) will be calculated every thirty days thereafter only on the overdue portion of the bill excluding previous late charges (penalties), and in no event shall the late charge (penalty) exceed more than 18% annually (simple interest).

16. Return Check and Return Electronic Payment Charge: The Customer will be responsible for the payment of a charge of \$20.00 per incident where a check or electronic payment, which has been presented to the Company for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, postdated, stale date, account garnished, no account, drawn against uncollected funds, balance held, and unauthorized signature. This charge is in addition to any and all charges assessed against the Customer by the bank. If a Customer's account shows a history of submitting payments that have been returned for insufficient funds or any other reason outlined above, the Company may require turn-on charges to be paid by cash, certified check, money order, or credit card or service may be terminated without additional notice in accordance with Commission regulations.

RULES AND REGULATIONS**BILLING AND PAYMENT (cont'd)**

17. Turn-on Charge: When service has been terminated to any premise because of violation of the Company's Rules and Regulations or at the Customer's request, a charge of fifty dollars (\$50.00) payable in advance will be made for restoration of service. If the Company incurs out of the ordinary expense to affect termination of service for non-payment of bills or due to lack of access to the Company's facilities, or for restoration of service outside of normal business hours, the Customer must reimburse the Company for those expenses in addition to the \$50.00 turn-on charge prior to service reconnection. This charge applies to new Customers only when service is required to be physically restored to the Premise. If the Company terminates water service for an emergency purpose, no turn-on fee will be applied to restore service. This charge applies to new Customers who require service to be physically restored to the Premise.

18. Turn-off at Customer's Request: Customers desiring to avoid payment for water service during periods when Properties are vacant or during extended absences shall give notice in writing at the office of the Company requesting the water to be shut off. A turn-on charge as set forth in Rule 17 shall be applied to the Customer's account when the Customers requests restoration of water service. If a minimum charge or Customer charge for water use is applicable, the bill will be based on the proportion that the period when water service was available bears to the entire period on which such minimum charge or Customer charge is based. Metered consumption in excess of such adjusted minimum shall be billed at normal rates.

RULES AND REGULATIONS**SERVICE CONNECTIONS****19. Company's Service Lines:**

Except for service connections made in accordance with Rule 65, the Company will make all connections to its mains and furnish, install and maintain the Company's service main to and including the Curb Stop, which under normal circumstances will be placed inside the curb-line. The Company's service line will be the property of the Company and under its control. The point of delivery and sale for any water service furnished to the Customer shall be at the Curb Stop.

The maximum Company investment per Company service line shall be calculated using the same formula set forth in the definition of Company Contribution in Rule 62.

The cost of any Company service line in excess of the applicable maximum Company investment shall be paid by the Customer, plus all applicable taxes including income taxes occasioned by the contract. The Company may require payment of the estimated amount of such excess cost in advance of the installation and will make a partial repayment of the extent the actual cost is determined to be less than the estimate.

Whenever it is necessary to install a service line in advance of the date on which the premises are occupied and a meter is set, a deposit may be required in an amount not to exceed the estimated cost of installation, which deposit will be refunded to the depositor when the service becomes active (i.e., the meter has been set and the premises occupied), provided that event occurs within five years from the date of deposit.

20.1. Customer Service Line: The Customer's service line shall extend from the Property to the Curb Stop or curb line or such point as designated by the Company. All connections, service lines and fixtures owned by the Customer shall be maintained by the Customer in good order, and all meters and appurtenances owned by the Company and located on the Property of the Customer shall be protected properly by the Customer. All leaks in or other deteriorated condition of the Customer's service line or any other pipe or fixture in or upon the premises supplied must be repaired immediately by the owner or occupant of the premises.

a. Notwithstanding the terms and conditions set forth in Rules 20.1, 20.2, and 25, the Company is authorized to replace customer-owned lead service lines ("COLSLs") in Mercer County in accordance with the Pennsylvania Public Utility Commission Order at Docket No. P-2020-3021766 entered on July 15, 2021.

RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)**

20.2. Customer Owned Lead Service Line Replacements: Notwithstanding Rules 20.1, 21, and 25, the Company shall, provided the customer provides consent, replace lead Customer Owned Service Lines ("COLSLs") pursuant to the Company's Lead Service Line Replacement Program ("Replacement Program"). Pursuant to Part 1 of the Company's Replacement Program, the Company will replace COLSLs it encounters when replacing its mains, up to 200 COLSL replacements per year within a maximum budgeted amount of \$800,000 per year. Pursuant to Part 2 of the Company's Replacement Program, the Company will replace a COLSL upon a Customer's request subject to the following requirements: (i) verification that the Customer has a COLSL, (ii) the date that the Company will replace the COLSL will depend on the number of other customer requests in the same operating division, (iii) the annual cap of 200 COLSL replacements, and (iv) availability of funds in the annual budget allotment of \$800,000.

Replacements under Part 1 of the Company's Replacement Program will have priority over replacements under Part 2 of the Company's Replacement Program. For replacements under Part 2 of the Company's Replacement Program, the Company will seek to prioritize replacements for low-income customers. Any portion of the annual budgetary allotment of \$800,000 that is not spent on COLSL replacements in that year will roll over to the next subsequent year, subject to annual cap of 200 COLSL replacements per year. If the Company does not use the excess budgeted amount that carried over from the previous year, that excess budgeted amount will not carry forward into the following year. The Company may petition the Commission to modify its annual budgeted amount and/or the cap on COLSL replacements per year if, in the Company's sole discretion, the Company determines these amounts are not adequate to meet the needs of the Replacement Program. Any petition to modify the budgeted amount or maximum number of COLSLs replaced per year is subject to Commission approval. Costs incurred by the Company under the Replacement Program shall be subject to Act 120 of 2018 (P.L. 738, No. 120) and the accounting and ratemaking treatment approved by the Pennsylvania Public Utility Commission entered July 15, 2021 at Docket No. P-2020-3021766. After a COLSL is replaced by the Company or the Company's contractor, the Customer shall own and have full responsibility for the repair, replacement, and maintenance of the new Customer Service Line installed, and which, thereafter, Rules 20.1, 21, and 25 shall apply.:

- a. The Customer shall enter into an Agreement for the replacement of the COLSL for either a Part 1 or Part 2 replacement, in a form provided by the Company, prior to the initiation of any work by the Company or its contractors to replace a COLSL. The Company shall provide a two-year warranty on workmanship and materials for any COLSL that the Company or its contractor replaces.
- b. For Customer requests under Part 2 of the Company's Replacement Program, the Company will verify the Customer has a COLSL, and if verified, the Company will provide the Customer with testing materials within seven business days of the verification of the COLSL. The Company will notify the Customer within five business days of the results of the test. Notwithstanding Rule 20.1, a Customer who has a verified COLSL and has requested that the Company replace the COLSL, the Customer will not be responsible for repairing a leaking COLSL prior to the Company's replacement of that Customer's COLSL.

RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)****20.2. Customer Owned Lead Service Line Replacements (cont'd):**

c. The Company will provide a National Sanitation Foundation approved water filter (pitcher or tap filter) to residential customers who request (or if the Customer occupies a rental property, the property-owner has made, or authorized the Customer to make, such request) that the Company replace the COLSL provided that:

1. The Company has verified that the Customer has a COLSL; and
2. The Company's testing of water from the customer's tap shows that the water has a lead level above the action level established by the Pennsylvania Department of Environmental Protection under the Environmental Protection Agency's Lead and Copper Rule.

The Company will offer a reimbursement under Part 1 of the Company's Replacement Program to a Customer or property owner (as applicable), at the lower of the Customer's or property owner's (as applicable) actual cost or what it would have cost the Company to replace the COLSL, who paid for the replacement of the COLSL if the Company commences a main replacement project that would have affected the Customer or property owner as follows:

- a. 100% for work performed within one year of the commencement of a main replacement project.
- b. 50% for work performed within two years of the commencement of a main replacement project.
- c. 25% for work performed within three years of the commencement of a main replacement project.

The sliding scale reimbursement related to a Part 1 main replacement project will be applicable until the 3rd anniversary of the effective date of Aqua's Lead Service Line replacement program, after which customers will only be eligible for reimbursement if the customer replaced their COLSL within one year of the commencement of a main replacement project. For acquired systems the same sliding scale time period will apply from the date of closing the acquired system and will cease after the 3rd anniversary of the acquisition of the system, and thereafter customer will only be eligible for reimbursement if the customer replaced their COLSL within one year of the commencement of a main replacement project.

RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)****20.2. Customer Owned Lead Service Line Replacements (cont'd):**

The Company will also offer a reimbursement under Part 2 of the Company's Replacement Program to a Customer or property owner (as applicable), at the lower of the Customer's or property owner's (as applicable) actual cost or what the Company would have incurred to replace the COLSL, who paid for the replacement of the COLSL within one year prior to the start of Part 2 of the Company's Replacement Program. The Company will also provide a sliding scale reimbursement to customers, at the lower of the actual cost or what the Company would have incurred to replace the COLSL, as follows:

- a. 100% for work performed within one year of the commencement of a main replacement project.
- b. 50% for work performed within two years of the commencement of a main replacement project.
- c. 25% for work performed within three years of the commencement of a main replacement project.

The reimbursement for replacements under Part 2 of the Company's Replacement Program will cease after the 3rd anniversary of the effective date of the Company's COLSL Replacement Program. For acquired systems the same sliding scale time period will apply from the date of closing the acquired system and will cease after the 3rd anniversary of the acquisition of the system.

For any reimbursement under Part 1 or Part 2, the Customer or property owner must provide the Company with a paid invoice, a certification from a certified plumber, and other documentation required by the Company, in its sole discretion, to verify the replacement. The reimbursement (or portion thereof as set forth above) will be at the lower of the customer's actual costs for the replacement of the COLSL as supported and verified by documentation sufficient for the Company or the cost the Company would have incurred to replace the customer service line with a similar size and material.

A main replacement project under Part 1 will commence on the date the Company begins physical excavation for pipe installation for a main replacement project in the project area that includes the Customer or property owner's (as applicable) premise, and a Part 2 program will begin upon the date the Commission issues an order approving the Company's petition at Docket No. P-2020-3021766.

RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)**

21. Size, Kind, and Location of Service Lines: The Company reserves the right to determine the size, kind and location of the service line, from the main to the curb, and from the curb to the property to be served. However, the determination of the size of the fire service line shall be the responsibility of a professional engineer or similar professional retained by the Customer. The Customer's Service Line shall not cross intervening properties unless the property is landlocked and there is no other way in which service can be provided (for example, because the property does not abut a public road) and an appropriate easement is obtained by the Customer for the Customer's benefit, a copy of which must be furnished to the Company. The service line from the curb stop to the property shall be furnished, installed, owned, and maintained by the owner of the property, and where possible shall be laid in a straight line at right angles to the curb line within the building limits of the structure to be served and at a minimum depth of cover specified by the Company, and bedded in at least 6 inches of sand, in property owned in fee simple absolute. Type K Copper shall be used throughout for service lines up to three inches in diameter. At the Company's discretion, other industry approved materials may be used should field conditions, water quality requirements, or regulatory permit requirements dictate the use of non-metallic materials. Service lines over three inches in diameter shall be cement-lined ductile or cement-lined cast iron pipe. The minimum size of a Customer's domestic Service Line shall be 3/4 inch in diameter. The Company reserves the right to inspect the installation of the Customer's Service Line to ensure its conformity with the specifications in this paragraph.

22. Separate Trench: No water service line shall be laid in the same trench with a gas pipe, electric line, drain or sewer pipe, or any other facility of another public service company, nor within three feet of any open excavation, retaining wall or vault.

23. Renewal of Company Service Line: Where renewal of the Company's Service Line from the street main to the curb is found to be necessary in the Company's opinion due to age or condition, the Company will renew said service in the same location as the old one at its own expense. If, in connection with such renewal, the property owner, or Customer, for his own convenience, desires the new service line to be installed at some other location or in a larger size and agrees to pay all expenses of such work in excess of the cost of renewing the originally-sized service line in its original location, the Company will install the new service line at the location desired, provided that the new line complies with all applicable Rules and Regulations.

24. Replacement of Abandonment of Company Service Lines: Where the Company Service Line needs to be replaced, relocated, removed or abandoned for the convenience of the Customer or due to any reason other than a routine Company renewal due to age or condition, the Company will perform such work and the Customer shall pay all expenses in connection with such work.

25. Company Not Responsible: The Company shall in no event be responsible for the condition of, or for maintaining or replacing, any portion of the Customer's Service Line or other lines or fixtures on the Customer's Property, or for damage done by water or other matter passing through said lines or fixtures or escaping therefrom. The Customer shall at all times comply with all federal, state, local and municipal laws, codes and regulations with reference thereto, and make changes therein, required on account of change of grade, relocation of mains, or otherwise.

RULES AND REGULATIONS**SERVICE CONNECTIONS (cont'd)**

26. Single Service Line for each Property: A Customer's Service Line (whether fire or domestic) shall not supply more than one property, as hereinafter defined, but any such property upon proper application of the owner may be supplied by two or more metered service connections, each of which for billing purposes shall be considered as being separate customer accounts, and provided that the supply of each such service connection has an individual control valve at or near the curb. A separate service line shall be required for each of the following types of "property", as defined herein:

- a. A residential dwelling unit - either detached, or one side of a double house, or a house in a row of houses; provided, that a garage, a conservatory and similar features incidental to the family life shall be considered as a portion of the dwelling.
- b. A building or complex of buildings containing residential dwelling units not divided by a public road or property line, which are either rental apartments, condominiums, or cooperative units and the commercial and service facilities incidental thereto.
- c. An industrial, commercial or manufacturing establishment held in common ownership and not divided by a public road or property line and not covered by subparagraphs (b) and (d) of this Rule.
- d. Each of the premises within a single building (stores or offices or any combination thereof) entirely separated from other premises within said building by a party wall or walls.
- e. A detached building comprised of stores or offices or any combination thereof, not separated by a party wall or walls.
- f. A Housing Development owned and operated as a unit by the United States Government.

27. Single Service Line with Two or More Customers: Where two or more Customers are now supplied through a single service line, any violation of the Rules and Regulations of the Company, with reference to either or any of said Customers, shall be deemed a violation as to all, and unless said violation is corrected after reasonable notice, the Company may take such action as can be taken for a single Customer, except that such action will not be taken until either or all of said Customers who have not violated the Company's Rules and Regulations have been given a reasonable opportunity to apply to the Company for separate service lines in accordance with these Rules and Regulations.

RULES AND REGULATIONS**METERS AND METER LOCATIONS**

28. Responsibility for Meter and Meter/Box Vault: All Company Meters will be furnished, installed, maintained and owned by the Company and remain the property of the Company and be accessible to and subject to its control.

Meter Boxes/Vaults shall be owned, furnished, installed, and maintained by the Customer, unless otherwise agreed to by the Company. At the Company's discretion, the Company has the right to install a Meter Box/Vault for a Customer's property.

29. All Services to Be Metered: A Meter shall be installed on each domestic and on each fire service line owned by the Customer. The Company reserves the right to determine the size and type of Meter to be installed in the Customer's Property, including whether such Meter shall be a manual read Meter or a Meter that can be read remotely from outside the building being served, or automatically using TV cable, telephone, or similar lines or radio signal communication. As a condition of providing service and continuing to provide service, the Company shall have the right to install such equipment, connections and wiring in the manner and location it deems appropriate. The equipment necessary to read Meters using the designated mode of communication will be installed by the Company and will remain the property of the Company.

30. Location: For new services the Meter shall be required to be installed outside the building in a Meter Box/Vault. The location of the Meter Box/Vault shall be subject to the express approval of the Company; in most cases, the Meter Box/Vault shall be located inside the Property line by the Customer.

For existing Premises and circumstances, subject to the Company's approval, a Meter may be set within the structure to be served, at a location approved by the Company, after the Customer has had the plumbing arranged (including the installation of Special Devices if required by the Company) to receive the Meter at a convenient point inspected and approved by the Company so as to control the entire supply of water to the Property. At the Company's discretion, the Company has the right to install a Meter Box/Vault for a Customer's Property, and dedicate the Meter Box/Vault to the Customer who shall thereafter own, operate, and maintain the Meter Box/Vault. A Meter Box/Vault shall be required to be installed, furnished, owned, and maintained by the Customer at the Customer's expense when circumstances at an existing Premise change including but not limited to: a) building renovations (including demolitions/rebuilds) or b) renewal of or repair of Company or Customer Service Lines.

In cases where the Meter is located outside the building, a concrete vault, with a suitable iron cover, or other approved Meter Box/Vault, shall be located inside the Property line by the Customer. The size and dimensions of the Meter Box/Vault shall be as approved by the Company, give adequate access to the Meter, and permit its installation or removal. When a concrete vault is used, a 10 foot wide (min.) paved surface from the road to the vault, including curb depression, must be provided and maintained for vehicle access. The Company has the authority to require a Customer or owner, at their expense, to install a Meter Box/Vault where there has been unauthorized use of water after the Company shut off service and the Customer or owner, or their agent has restored the service without authorization.

RULES AND REGULATIONS**METERS AND METER LOCATIONS (cont'd)**

31. Valves Required: A Control Valve shall be placed by the Customer on the Customer Service Line on the inlet and outlet sides of the Meter. When required, a suitable Check Valve should be placed by the Customer between the Meter and the Control Valve on the outlet side of the Meter. When a Check Valve, backflow preventer or Pressure Reducing Valve is installed, the Customer shall install a Pressure Relief Valve or thermal expansion tank (to be sized and designed by the Customer or his agent) at some convenient point on the house piping to relieve pressure fluctuations and/or excess pressure due to heating water. In accordance with the specifications of the Company, the Customer shall install a Pressure Reducing Valve, to be set at a pressure not to exceed the applicable limits, as follows: 1) on the domestic service line when the pressure on the Company's distribution system exceeds 80 pounds per square inch (psi); 2) on the residential fire service line when the pressure exceeds 100 psi; 3) on the commercial fire service line when the pressure exceeds 150 psi; or 4) when required in the discretion of the Company where it is believed that the pressure may exceed either limit. The Customer or his authorized agent shall check with the Company to determine whether a Pressure Reducing Valve is required prior to finalizing the design of the internal plumbing system. In all cases, the Pressure Reducing Valve must be installed at an approved location after the inlet control valve and before the Meter, but in the case of the domestic service line an additional Control Valve must be installed between the Pressure Reducing Valve and the Meter. When approved for a manifold set-up, the inlet control valve (2-inch and smaller) that abuts the Meter must be a full-port, locking ball device.

32. Responsibility for Damage: Meters and other related equipment owned by the Company will be maintained by the Company so far as ordinary wear and tear are concerned; but the cost to repair damage caused by the Customer or due to freezing, hot water or causes not within the reasonable control of the Company shall be paid by the Customer.

33. Cost of Re-installation: The charge for the re-installation, reconnection or changing of a Meter or other related equipment owned by the Company when removed by the Customer or because of damage in any way due to the negligence or intentional conduct of the Customer shall be assessed against the Customer at cost.

34. Minimum Charge/Customer Charge: In Divisions with a minimum charge and a water allowance, customers will be subject to a fixed minimum charge in accordance with the rates thereof, for which certain quantities of water will be allowed, without additional charge. Such minimum charges shall be non-refundable for non-use of water, and non-cumulative against subsequent consumption. In the case of fractional bills covering less than a billing period, minimum charges and allowances shall be prorated.

In Divisions with a customer charge and no water allowance, customers will be subject to a fixed customer charge in accordance with the rates thereof, for which no quantity of water will be allowed without additional charge. The customer charge will be non-refundable and payable whether or not the customer uses any water. In the case of fractional bills covering less than a billing period, the customer charge shall be prorated.

RULES AND REGULATIONS**METERS AND METER LOCATIONS (cont'd)**

35. Company Notified Meter Not Working: The Customer shall immediately notify the Company of damage to, or the non-working of, the Meter as soon as it comes to his/her knowledge.

36. Registration Conclusive: The quantity recorded by the Meter shall be conclusive on both the Customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register. In such case, the quantity may be determined by the average registration of the Meter when in order.

37. Disputed Account: In case of a disputed account involving the accuracy of a Meter, such Meter will be tested upon the request of the Customer in conformity with the regulations of the Commission. In the event that the test of the Meter shows an error in registration in excess of the permissible range, an appropriate adjustment to the bill will be made in accordance with the Commission's regulations. Bills will not be adjusted if the Meter tests within the permissible tolerance limit.

38. Request Test: Upon a written request of a Customer, or that of the Customer's authorized representative, the Company shall test the accuracy of the Meter in service at the involved Premises. When a Customer desires, either personally or through a representative, to witness the testing of a Meter, the Meter may be required by the Customer to be sealed before removal, in the presence of the witness, which seal shall not be broken until the test is made. If the Meter so tested is found to be accurate within the limits specified above, a fee determined from the schedule provided in the Commission's regulations shall be paid to the Company by the Customer requesting such test, but if not so found then the cost thereof shall be borne by the Company. When making such requests, the Customer shall agree to the basis of payment herein specified. A report of such test shall be made to the Customer and a complete record of such test shall be kept as specified in the Commission's regulations. The results of such tests shall be conclusive upon the Company and Customer unless a written objection thereto is received by the Company or Customer, as appropriate, within thirty days of notice of the test results. If the Meter tested is found to be accurate, the Company has the absolute right to re-install that same Meter at the Customer's property.

RULES AND REGULATIONS**CONSTRUCTION SERVICE**

39. Metered Building Construction Service: Where service has been requested by a Builder for purposes of construction of a building to be served by the Company and service is to be provided through a Company Service Line that will be retained to provide service to the building after construction is completed, metered water service shall be provided. Each such metered service will be subject to these Rules and Regulations and the charges for Commercial Service shown in the rate schedule. Installation of the Company Service Line shall be in accordance with the "SERVICE CONNECTIONS" provisions of this tariff. The Builder is responsible for protecting the Meter during construction. If the Meter is damaged due to construction activities, the Builder will be responsible for any costs associated with repairing or replacing the Meter.

40. Temporary Metered Construction Service: Where metered service is required or requested for temporary construction purposes, or where the Company Service Line will not be retained to provide service after construction, the Applicant shall pay the estimated cost of installation and removal of the service line, which costs are not refundable. In addition, the Applicant shall pay a deposit for the Meter, which will be refunded upon return of the Meter. Each such metered service will be subject to these Rules and Regulations and the charges for Commercial Service shown in the rate schedule. The Builder is responsible for protecting the Meter during construction. If the Meter is damaged due to construction activities, the Builder will be responsible for any costs associated with repairing or replacing the Meter.

RULES AND REGULATIONS**METERED FIRE SERVICE**

41. Metered Fire Service for Non-Residential Structures: For automatic fire sprinklers or other automatic fire service devices located inside of a non-residential structure or for fire hydrants located on a fire service line, a separate service line will be required to be used exclusively for fire service when Combined Fire and Domestic Service Rule (see Rule 2) does not apply. Each such fire line shall be metered and subject to the charges shown in the rate schedule. Subject to the approval of the Company, fire hydrants that are owned and maintained by the Customer outside of buildings may be connected to said service line, provided they are located downstream of the Meter and backflow prevention device. The Customer will be responsible for paying the Company for the cost of installing the Company Service Line in excess of the maximum Company investment, as set forth in Rule 19 of this tariff. Company reserves the right to refuse an application for metered fire service where, in the judgment of the Company, the size and pressure of the street main is not sufficient to render proper service. The Customer shall be responsible for the design and sufficiency of the fire protection system (including the installation of a pressure tank and pumps, if required) and shall submit appropriate certification of such to the Company at the time of application. The Customer shall not use a dedicated fire line for domestic service and shall not allow a cross-connection between the domestic and fire systems. The Company shall have the right to require Special Devices as deemed necessary on Customer fire service lines. Meters for fire service will be furnished and maintained by the Company. Meters will be located as specified by the Company on the Property of the Customer, and if Meter Boxes/Vaults are required, they shall be constructed and maintained in accordance with the Company's specifications at the expense of the Customer.

42. Metered Fire Service for Residential Structures: To obtain service for automatic fire sprinklers or other automatic fire suppression related devices located inside a Residential Structure, the Customer must install a separate Customer fire service line from the curb to the fire protection system. Each such fire line shall be metered in accordance with the Company's Rules and Regulations. Both the Customer's fire service line and domestic line shall be connected to a single Company Service Line. To accommodate service to the Customer's fire line in addition to the domestic line, the Company may install a larger Company Service Line than it would otherwise install. The Customer will be responsible for paying the Company for the costs of upsizing the Company Service Line and appurtenances, and for the cost of the fire meter and its installation, together with any and all applicable taxes. Recovery of these costs by the Company shall be achieved through the application of the Company's rate schedule for "Residential Multiple Meter Sets", which shall be applicable to all Residential Structures equipped with residential fire service under these Rules and Regulations. The Company reserves the right to refuse an application for automatic fire service where, in the judgment of the Company, the size and pressure of the street main is not sufficient to render proper service. The Customer shall be responsible for the design and sufficiency of the fire protection system (including the installation of a pressure tank and pumps, if required) and shall submit appropriate certification of such to the Company. The Customer shall not use the fire line for domestic service and shall not allow a cross-connection between the domestic and fire systems. The Company shall have the right to require Special Devices as deemed necessary on residential fire service lines.

RULES AND REGULATIONS**UNMETERED FIRE SERVICE**

43. Payment of Applicable Rate: All fire hydrants installed by the Company are subject to the payment of the applicable rate. A hydrant will not be installed without the request or the approval of the appropriate municipality. If the municipality agrees to pay the applicable rate, the hydrant shall be a public fire hydrant; otherwise a private entity must agree to pay the applicable rate in which case the hydrant shall be a private hydrant. In the event the applicable rate is not paid, the Company, at its option, may remove the hydrant.

44. Payment of Installation Costs:

Hydrants installed on new or proposed water mains: All fire hydrants, whether public or private, to be installed in connection with a main extension shall be paid for by the Applicant or Depositor pursuant to any type of agreement for the extension of the Company's water mains.

Hydrants installed on existing water mains: The installation costs of all private, or public fire hydrants where a municipality requires a public fire hydrant for an Applicant, to be installed on an existing water main shall be paid for by the Applicant. The installation costs of a public fire hydrant to be installed on an existing water main at the request of a municipality shall be paid for by the Company provided that no existing fire hydrant is located within a 600-foot radius of the requested fire hydrant, and provided that all other Rules and Regulations of the Company are complied with. Fire hydrants requested at closer intervals of spacing shall be reviewed by the Company and these installations shall be paid for by the municipality or Applicant. Payment for the installation of a fire hydrant shall include the entire cost for material and installation and all applicable taxes pursuant to an agreement prepared by the Company.

45. Hydrant Location: Upon written request to the Company's New Business Office from the duly authorized officials of any municipality supplied by the Company, the Company (subject to its Rules and Regulations on the payment of installation costs and the applicable rate), will install a standard fire hydrant at a location mutually agreed upon by the municipality and the Company, provided that the size of the existing main and surrounding distribution system and the available pressure and flow in said main is, in the judgment of the Company, sufficient to enable the provision of proper service at the fire hydrant under normal and ordinary conditions. Where a requested fire hydrant would be connected to a water main located in the public right-of-way, the hydrant shall be located within close proximity to the nearest curb line, and where a requested fire hydrant would be connected to a water main located in an easement held by the Company, the hydrant shall be located within that easement area.

46. Availability of Supply: With regard to public fire hydrant service or private hydrant sprinkler and hose service, the Company shall have no greater duty than to supply only such volumes of water at such pressures as may be available at the time of operation.

RULES AND REGULATIONS**UNMETERED FIRE SERVICE**

47. Maintenance and Obstructions: All fire hydrants owned by the Company will be maintained by the Company. Said maintenance shall include, but not be limited to, painting as required. Painting of hydrants by parties other than the Company personnel or its authorized contractor is strictly forbidden. The Company shall not be responsible for the condition of the hydrant following intervening use by a fire department or any authorized or unauthorized person.

It is the responsibility of the Customer paying the fire hydrant rental to keep the area directly surrounding the hydrant free of all obstructions (including, but not limited to trees, bushes, snow, dirt, mailboxes or other obstructions) that would impact the safe operations or would not allow the hydrant to be easily seen from or accessed by an emergency vehicle.

Municipalities, at their own expense, are allowed to attach marking devices on public fire hydrants owned and operated by the Company solely to facilitate the location of such hydrants. The Company shall be notified and shall approve in advance the municipality's plans to install hydrant markers and will permit plan designs that are consistent with normal, intended, and safe operation of such hydrants. Municipalities that take advantage of this provision shall be responsible for the maintenance of all markers that they install.

48. Allowable Use: Only persons authorized by the Company shall take water from any fire hydrant, except for the use of the Fire Department in case of fire, and no fire hydrant shall be used for any reason other than firefighting or training purposes without the consent of the Company. The use of fire hydrants, whether owned by the Company or by the Customer, will be restricted to the taking of water for the extinguishing of above-ground fires. Water shall not be taken from any fire hydrant for construction purposes, extinguishing underground fires, sprinkling streets, flushing sewers or gutters or for any other use unless specifically permitted by the Company for the particular time and occasion. If the Company grants permission to use fire hydrants for purposes other than the extinguishment of fires, such use will be applied only if an approved backflow prevention device is attached to the hydrant. Said device shall be furnished by the Customer.

49. Change of Location: Whenever a municipality desires a change in the location of any fire hydrant, the Company, upon written notice from the municipality to the Company's New Business Office, will make such change at the expense of the municipality pursuant to an agreement prepared by the Company.

50. Inspection: In addition to its periodic program of inspection and testing, the Company will, upon request of the duly authorized officials of any municipality, make inspections of specific hydrants at convenient times and at reasonable intervals as determined by the Company to determine the condition of the fire hydrant in question. Flow testing will be conducted by the Company, upon request, following the completion of changes to the supporting distribution system either due to capital construction or operational modifications. Inspections shall be made by a representative of the Company and a duly authorized representative of the municipality.

RULES AND REGULATIONS**RESPONSIBILITY FOR SERVICE**

51. Liability of Company: In the course of furnishing service that needs to be adequate, but not perfect, it is recognized that there will be times when service is subject to interruption or disruption as a result of water main breaks, the failure of equipment or facilities, and for other reasons. Accordingly, the liability of the Company shall be limited to two thousand dollars (\$2,000.00) in any legal action brought against the Company for damages in connection with: 1) a service interruption or delay, or cessation or lack of adequate, efficient, safe and reasonable service and facilities; and/or 2) a failure of equipment or supply, including, but not limited to, a break or leak in a water main, service line or Meter owned by the Company.

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of a public utility are in conformity with the regulations and Orders of the Commission, the public utility may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory judgment with the Commission.

Furthermore, the Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in the Customer's Service Line, Meter Box/Vault, internal plumbing or fixtures, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's Property) is in need of repair, such as the condition or elevation of a Curb Box or valve box that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or the person or event.

From time to time, the Company may provide public notices, specific notices, correspondence or other notifications ("Notices") regarding the presence of conditions affecting the quality and/or quantity of water service provided by the Company. (Examples of such Notices include, but are not limited to, boil water alerts, notice of hydrant and main flushing, and notice of water quality testing results.) These Notices may contain information about actions members of the public may wish to, are recommended to, or should take in response to the conditions identified in the Notice. In the event the Company issues a Notice, the Company will not be liable for any expenses or costs incurred by a Customer or end-user for any action taken in response to any condition identified in the Notice.

52. Complaints: Complaints with regard to the character of the service furnished or the reading of Meters, or of the bills rendered, must be to the Company's office either orally, by telephone, in person with appointment, or in writing, and a record of such complaint will be kept by the Company, giving the name and address of the complainant, the date, the nature of the complaint and the response.

RULES AND REGULATIONS**SYSTEM INSPECTION AND INTEGRITY**

53. Inspections: All pipes, Meters, Special Devices and fixtures shall be subject, at all reasonable hours, to inspection by properly identified employees of the Company. In addition, the Company shall have the right, upon reasonable notice and at reasonable times, to gain access into the Customer's Premises for the purpose of taking water samples in order to determine the quality of the water. No plumber, owner or other unauthorized person shall turn the water on or off at any corporation stop, Curb Stop, or disconnect, or remove the Meter without the consent of the Company. No agent or employee of the Company has authority to bind it by any promise, agreement or representation not provided for in these Rules and Regulations.

54. Right to Refuse Connections: The Company may refuse to connect with any piping system or furnish water through one already connected: 1) if the Customer's Service Line is not a sufficient depth to prevent freezing or is installed in too close proximity to any other utility line; 2) if lead-based solder or a lead-based fixture has been used in the Customer's plumbing system in contravention of any national, state or local regulation; 3) where the intended use of the water delivered to the Customer's Property would involve the return of water directly back to the Company's distribution system; 4) where the Customer's Service Line is connected to a separate or auxiliary water supply that could constitute a cross-connection; or 5) if such system has not otherwise been properly installed and maintained. It shall be the Customer's responsibility to assure compliance with these requirements. The Company may, from time to time, require the Customer to provide verification that the Customer's piping system complies with these requirements.

55. Cross-Connection Control: A cross-connection is created when a Customer connects to the Company's distribution system. To prevent contamination of the public water supply from a cross-connection, all new Customer connections to the Company's distribution system must be equipped with backflow prevention, cross-connection control or other Special Device approved by the Company and furnished, installed, and maintained at the Customer's expense in accordance with Company specifications and at a location and in the manner approved by the Company. A Customer with an existing connection to the Company's distribution system will furnish, install, and maintain a Company approved backflow prevention, cross-connection control, or other Special Device at the Company's request. The furnishing, installation, and maintenance of the backflow prevention, cross-connection control or other Special Device at existing connections will be made at the Customer's expense in accordance with Company specifications and at a location and in the manner approved by the Company. The Company shall have the right, upon reasonable notice and at reasonable times to conduct surveys and investigations of water use and practices at a Customer's Premises to determine the backflow prevention, cross-connection control or other Special Device appropriate for Customer's connection. In addition, the Customer shall be required, at such Customer's expense, to comply with the yearly testing and overhauling requirements of the Company for backflow prevention, cross-connection control or other Special Devices. The Company may authorize persons (with the appropriate training or certification) to inspect Premises, perform installations and testing of such Special Device or make corrections of adverse existing conditions. A yearly administrative fee of \$10.50 will be required per return certification.

RULES AND REGULATIONS**TERMINATION OF SERVICE**

56. By Company: Service may be terminated for any of the following reasons which shall constitute a violation of the Rules and Regulations of the Company:

- a. For the use of water for any other Property or purpose other than that described in the application.
- b. For willful waste of water through improper or imperfect pipes, fixtures or otherwise, including failure to promptly repair a leak on the Customer Service Line.
- c. For molesting any service pipe, Meter, Meter interface unit, Curb Stop or seal, or any other appliance of the Company.
- d. For non-payment of any charge accruing under the Company's tariff or Rules and Regulations.
- e. For refusal of reasonable access to Property for purposes of inspecting or for reading, caring for, removing, or installing Meters, including remote and automatic Meters and the associated wiring and connections to the Customer's telephone line.
- f. For making, or refusing to sever, any cross-connection between a pipe or fixture carrying water furnished by the Company, and a pipe or fixture carrying water or other substances from any other source.
- g. For failing to comply with the inspection, installation, maintenance or testing requirements of the Company under its back-flow prevention and cross-connection control program instituted for the purpose of protecting the public water supply.
- h. For vacancy of a Premises.
- i. For failure to make payments under the Company's Water System Connection Loan Program, as described in Rule 66.
- j. For violation of any other Rules or Regulations of the Company.
- k. For violation of Pennsylvania law (Criminal Code 18 PA C.S.A. Section 3926) which prohibits the activation of a public utility service line without a measuring device (water Meter).
- l. For any other reasons set forth in the Commission's regulations.

Service termination will be performed in the manner prescribed by the Commission's regulations. In addition, service may be terminated for nonpayment of a sewer bill upon proper request of the municipality or municipal authority and receipt of a fifty dollar (\$50.00) fee per account. The terms and conditions for termination of water for non-payment of sewer are found in Attachment A and conform to the Water Services Act 53 P.S. §3102.201 et seq.

If you are a victim of domestic violence and have a Protection From Abuse Order or other court order that shows clear evidence of domestic violence, there are special protections available.

RULES AND REGULATIONS**TERMINATION OF SERVICE (cont'd)**

57. Turn-Off Without Authority: The Customer shall not turn the water on or off at any corporation stop or Curb Stop, or disconnect or remove the Meter, or permit its disconnection or removal, without the consent of the Company.

58. Due to Emergency: As necessity may arise in case of breakdown, emergency, or for any other unavoidable cause, the Company shall have the right to suspend services temporarily, in order to make necessary repairs, connections, etc.; but, the Company will use all reasonable and practical measures to notify the Customer of such discontinuance of service. The Company shall not be liable for any damage or inconvenience suffered by the Customer or any claim against it at any time for interruption in service, or for any causes beyond its control. When a supply of water is to be temporarily cut off, notice will be given, when practicable, to all Customers affected by the shutting off, stating the probable duration of the interruption of service, and also the purpose for which the shut-off is made.

59. Restoration of Service: After termination of service it will not be reconnected until all amounts due to the Company have been paid plus the cost of a fifty dollar (\$50.00) turn-on charge prior to service reconnection (with the exception of the Masthope Division) subject to the provisions of Section 1407(c)(2) of the Public Utility Code, 66 Pa.C.S. § 1407(c)(2) (regarding payment to restore service) unless otherwise directed by the Commission.

RULES AND REGULATIONS**WATER CONSERVATION AND DROUGHT EMERGENCY****60. Water Conservation Contingency Plan:**

General: The Company shall have the right to reserve a sufficient supply of water at all times in its reservoirs, to provide for fire and other emergencies, or may restrict or regulate the quantity of water used by the Customer in case of scarcity, or whenever the public welfare may require it. If the Company is experiencing a short-term supply shortage, the Company may request general conservation measures to reduce or eliminate nonessential uses of water.

Voluntary Conservation: The Company shall first request voluntary curtailment of all nonessential uses of water.

Mandatory Conservation: If voluntary cooperation does not achieve satisfactory results, mandatory compliance with a ban on nonessential uses will be imposed. If any Customer refuses to comply with such mandatory measures, the Company may adjust the outside water valve connection in a manner which will restrict water flow by up to 1/2, otherwise restrict flow such as by the insertion of a plug device, or terminate service.

Nonessential uses of water may include, but are not limited to, the following items:

- a. The use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, garden, vegetables, flowers, or any other vegetation.
- b. The use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment.
- c. The washing of streets, driveways, parking lots, service station aprons, office buildings, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.
- d. The operation of any ornamental fountain or other structures making a similar use of water.
- e. The use of water for filling of swimming or wading pools.
- f. The operation of any water-cooled comfort air conditioning which does not have water-conserving equipment.
- g. The use of water from fire hydrants for construction purposes or fire drills.
- h. The use of water to flush a sewer line or sewer manhole.
- i. The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.

RULES AND REGULATIONS**WATER CONSERVATION AND DROUGHT EMERGENCY (cont'd)****60. Water Conservation Contingency Plan (cont'd):**

Water Rationing Plan: In addition to the provisions as set forth above, the Pennsylvania Emergency Management Agency is authorized to promulgate, adopt, and enforce a Water Rationing Plan by virtue of the Emergency Management Services Code, 35 Pa.C.S. § 1701 et seq. as implemented by the Drought Emergency Proclamation dated November 6, 1980.

Excess Use Charges: In the event of a drought emergency (as declared by a river basin commission and/or by a proclamation or executive order issued by the Governor), the Company is authorized to collect fines and/or excess use charges set forth in its Local Water Rationing Plan as filed with and approved by the Pennsylvania Emergency Management Agency.

RULES AND REGULATIONS**MAIN EXTENSIONS**

61. Main Extensions to Existing Residential Structures: Where an adequate water distribution main does not abut a prospective Customer's Property such that a service connection cannot be made to serve such Property in accordance with these Rules and Regulations, the prospective Customer (or an authorized agent for the prospective Customer) must apply to the Company for a main extension.

Any required or requested main extension to serve a prospective Customer at a preexisting structure will be paid for by the Depositor in accordance with the provisions of the subsections below:

- a. When an extension to serve a prospective Customer is required or requested, such extension will be made under the terms of an "Extension Deposit Agreement". The Company shall have the exclusive right to determine the type, the material, the size, the routing and the location of mains to be installed and the other facilities required to render adequate service. No main(s) smaller than 6" in diameter shall be installed.
- b. The terminal point of the required extension shall be a point in the curb line equidistant from the side building lines of the last building or dwelling to be served. As a further condition of extending the existing distribution mains, the Company shall be provided with, at no cost to the Company, any rights of way, temporary construction easements or permanent construction easements necessary to complete the extension of the distribution mains, Company Service Line(s), appurtenances and other facilities, or to provide future access for repair, maintenance, replacement, or for other related reasons.
- c. The Company reserves the right to require the Depositor to pay for the extension of the main beyond the last building in a street in order to connect to an existing main which would provide more adequate and reliable service.
- d. The prospective Customer must have complied with all other conditions of service provided elsewhere in these Rules and Regulations in order to receive water service from the main extension.

Any required or requested main extension to serve a lot or lots that do not contain an existing Residential Structure shall be installed by the Builder in accordance with the provisions of Rule 65.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS****62. Bona Fide Service Applicants:**

62.1 Where an adequate water distribution main does not abut a Bona Fide Service Applicant's Property such that a service connection cannot be made to serve such Property in accordance with these Rules and Regulations, the Bona Fide Service Applicant (or an authorized agent for the Bona Fide Service Applicant) must apply to the Company for a main extension. Such extension will be made under and pursuant to the terms of an Extension Deposit Agreement for the Bona Fide Service Applicant subject to applicable provisions of these Rules and Regulations. The construction of facilities to serve such Bona Fide Service Applicant will not commence until an Extension Deposit Agreement for Bona Fide Service Applicant has been executed and all applicable terms and conditions therein have been satisfied by the Applicant.

In conjunction with executing an Extension Deposit Agreement, a Bona Fide Service Applicant shall deposit with the Company an amount totaling \$1,000, representing a Service Line Deposit. Such amount shall be refunded to the Applicant within 90 days after the Applicant's requesting and receiving water service from the Company, provided, however, that if the Applicant does not request connection to the Company's main extension within six months of the completion of the main extension, the Service Line Deposit shall become non-refundable.

Where a proposed main extension is capable of serving multiple structures or facilities and at least 80% of the potential Customers who could receive service from the main extension become Bona Fide service Applicants and satisfy all applicable terms and conditions of the foregoing provisions, the Customer Advance, if any, required of each Bona Fide Service Applicant shall be calculated as if 100% of such potential Customers had become Bona Fide Service Applicants.

For a period of ten (10) years following completion of the main extension, the Company shall refund to each Bona Fide Service Applicant his/her pro rata share of an amount equal to the Company Contribution for each additional Customer who attaches a service line to the main extension and requests service. No refunds shall be made, however, in those situations where at least 80%, but less than 100%, of the potential Customers who could receive service from the main extension become Bona Fide Service Applicants and their Customer Advances are calculated as if 100% of such potential Customers had participated in the initial funding of the project. In addition, the total amount refunded shall not exceed the amount of the Customer Advance paid by the Bona Fide Service Applicant.

62.2 The Company shall have the exclusive right to determine the type, the material, the size, the routing and the location of mains to be installed and the other facilities required to render adequate service. No main(s) smaller than 6" in diameter shall be installed.

62.3 The terminal point of the required extension shall be a point in the curb line equidistant from the side property lines of the last lot to be served or the side building lines of the last building or dwelling to be served, whichever is greater. As a further condition of extending the existing distribution mains, the Company shall be provided with, at no cost to the Company, any rights of way, temporary construction easements or permanent construction easements necessary to complete the extension of the distribution mains, Company Service Line(s), appurtenances and other facilities, or to provide future access for repair, maintenance, replacement, or for other related reasons.

RULES AND REGULATIONS

MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)**62. Bona Fide Service Applicants (cont'd):**

62.4 The Bona Fide Service Applicant must have complied with all other conditions of service provided elsewhere in these Rules and Regulations in order to receive water service from the main extension.

62.5 Any required or requested main extension to serve an Applicant other than a Bona Fide Service Applicant shall be installed in accordance with the provisions of Tariff Rule 65.

Definitions:

Bona Fide Service Applicant: shall mean a person or entity applying for General Metered Service to an existing or proposed structure or facility within the Company's certificated service territory, and which is either: (1) the primary residence of the Applicant; (2) a place of business; or (3) a public school, building, library, park or playground which is owned by a governmental unit or school district which has the power of taxation. An Applicant shall not be deemed a Bona Fide Service Applicant if: (1) such Applicant is requesting water service to a building lot, subdivision or a secondary residence; (2) the request for water service is part of a plan for the development of a residential dwelling or subdivision; (3) the request is for service other than the main water supply for the primary residence, such as service for external landscaping or agricultural purposes only; or (4) the Applicant is requesting Special Utility Service. To become an Applicant, a person or entity must file a signed application to connect the qualifying structure or facility with the Company's distribution system and request water service to begin immediately following such connection.

Company Contribution: shall mean that portion of the main extension costs which generate annual line extension costs equal to annual revenue from the line extension and that the Company will fund based upon the following formula, where X equals the Company Contribution attributed to each Bona Fide Applicant:

$$X = \frac{AR - O\&M}{(P \cdot I) + D}$$

Whereby:

AR = the expected annual revenue from the Bona Fide Service Applicant based upon the Company's currently effective tariff rates and on the average annual usage of customers similar in nature and size to the Bona Fide Service Applicant.

O&M = the average annual operating and maintenance expenses associated with serving an additional Customer, including customer accounting, billing and collection, water purchased, power purchased, chemicals, and other variable costs based on the current total Company level of such costs, as well as any costs particular to the specific needs of the Bona Fide Service Applicant.

I = the Company's current debt ratio multiplied by its weighted cost of long-term debt; and

D = the Company's depreciation accrual rate for Account No. 331 (Transmission and Distribution Mains).

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)****62. Bona Fide Service Applicants (cont'd):**

Customer Advance: shall mean (1) the Estimated Cost of the water main extension less (2) the Company Contribution.

Line extensions to Bona Fide Service Applicants shall be funded without Customer Advance where the annual revenue from the line extension will equal or exceed the utility's annual line extension costs.

If the annual revenue from the line extension will not equal or exceed the utility's annual line extension costs, a Bona Fide Service Applicant may be required to provide a Customer Advance to the utility's cost of construction for the line extension.

Where a Customer Advance is required, and the Bona Fide Service Applicant is unable to advance the entire amount due, the Company, at its option, must either (1) allow the Bona Fide Service Applicant to pay the advance ratably over a period of not less than three years or (2) assist the Bona Fide Service Applicant in obtaining the necessary financing from an appropriate lending institution so that the Bona Fide Service Applicant can deposit the entire amount due. If the Company chooses option (1), it may require that up to one-third of the total Customer Advance be deposited prior to extending its facilities and may recover from the Bona Fide Service Applicant, over the payment term selected, its costs of financing the construction by applying to the amount outstanding interest charges calculated at the then-prevailing residential mortgage lending rate specified by the Secretary of Banking in accordance with the act of January 30, 1974 (P.L. 13, No. 6), known as the Loan Interest and Protection Law.

Special Utility Service: shall mean residential or business service which exceeds that required for ordinary residential purposes. By way of illustration and not limitation, Special Utility Service shall include: the installation of facilities such as over-sized mains, booster pumps and storage tanks as necessary to provide adequate flows or to meet specific pressure criteria, or service to large water consuming commercial and industrial facilities. An otherwise Bona Fide Service Applicant requesting service which includes a "Special Utility Service" component is entitled to a Bona Fide Service Applicant status, including the corresponding Company contribution toward the costs of the line extension which does not meet the Special Utility Service criteria.

63. Economic Development Main Extension Policy: The Company may negotiate and enter into customized Extension Deposit Agreements for the purpose of promoting economic development or enhancing the efficiency and operation of the waterworks system. These Agreements may include special provisions that differ from the standard terms of the "Extension Deposit Agreement".

64. Main Extensions with Governmental Bodies: The Company may negotiate and enter into customized Extension Deposit Agreements with Governmental Agencies where the main extension is for a public purpose and is funded entirely with public funds. These Agreements may include a waiver of the tax requirements of the "Extension Deposit Agreement," and in such event, the Company will not refund any portion of the cost of the main extension.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)**

65. Main Extensions and Services by Builder: In the event any main extension is requested or required to provide service to newly constructed structure(s) to be constructed in the future on existing or subdivided lots, or to preexisting non-Residential Structures except as provided below, the Builder shall be required to install the water main and service lines through a pre-qualified Contractor retained by the Builder and to pay all costs related thereto. At the sole discretion of the Company, the Company may undertake construction of facilities otherwise subject to this Rule, in which event, the "Extension Deposit Agreement", referred to in the provisions of Rule 61 and Rule 62 pertaining to construction of facilities to serve existing Residential Structures, shall be applicable except that the Builder will retain financial responsibility for the installation of service lines and appurtenances as specified herein.

Under the provisions of this Rule, prior to construction, the Builder must enter into an Agreement, in a form acceptable to the Company, detailing the terms and conditions under which the Company will accept, and provide service through, facilities constructed by Builder. All construction costs, whether initially incurred by the Company or the Builder, related to the main extension shall be the responsibility of the Builder. The Agreement shall contain, at a minimum, the following terms and conditions:

- a. Main and service line installation work shall be performed in accordance with the specifications and conditions of the Company.
- b. All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder. Builder shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all main and service line installation work, and all appurtenances (including fire hydrants) required to serve the project.
- c. Any specialty material required to interconnect with the Company's existing facilities shall be provided by the Company.
- d. Any construction involving preexisting facilities of the Company, including but not limited to relocation of existing facilities and connections of mains or services with existing facilities, shall be performed only by the Company.
- e. Builder's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be understated may be rejected.
- f. Builder shall obtain all necessary permits from federal, state and local authorities. If any of these authorities require the Company to obtain such permits, the Company shall apply for the permits.
- g. All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from Company inspectors.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)**

66. Water System Connection Loan Program: Where the Company offers a Bona Fide Service Applicant the option to apply for a loan from the Company for a new single family-residential service connection under Rule 7 or for a main extension under Rule 61 for single-family residential service to cover Eligible Costs (as defined herein), such loan shall be subject to the terms and conditions set forth in this Rule.

To be eligible for a loan, an Applicant must (a) own a single-family residence which will take water service from the Company; (b) demonstrate intent to be the continuing Customer of the Company at the residence; and (c) enter into a financing agreement.

For purposes of this Rule, Eligible Costs include actual costs for (a) a water main extension in accordance with Rule 61; (b) the Customer Service Line; (c) a Meter Box/Vault; (d) shut-off valves and/or Special Devices required under these Rules; (e) alterations of or additions to plumbing within the Customer's residence which are necessary to permit the Customer to take service from the Company; or (f) any other facilities necessary to permit the Customer to take water service from the Company. The maximum principal balance of a loan made under this Rule will be \$8,000.

Any such loan shall be subject to the following terms and conditions.

- a. The existence of a loan made under this Rule does not alter the responsibility of the Customer for maintenance or replacement of the Customer Service Line or any other facilities as determined by the applicable provisions of the Company's Rule(s).
- b. The initial principal balance of the loan shall be the amount of Eligible Costs which the Customer elects to borrow from the Company. The principal balance of the loan plus interest will be repaid to the Company through a fixed surcharge added to the Customer's regular monthly bill for water service. The surcharge will be reflected as a separate service type for the Customer's account.
- c. The Customer will enter into a financing agreement with the Company which specifies, inter alia, the initial principal balance of the loan, the applicable interest rate determined in accordance with subsection (e) of this Rule, the term of the loan and the amount of the monthly surcharge. The Company in its sole discretion will determine whether a financing agreement should be established for a loan related to facilities owned and maintained by the Customer under the applicable provisions of the Company's Rules. The Customer will agree to repay the loan over a term selected by the Customer, which is no less than three years (36 months), nor greater than 8 years (96 months).
- d. Through the surcharge, the Customer will make equal monthly installments over the loan term to pay the principal amount of the loan together with daily simple interest on the unpaid balance of the principal amount from time to time outstanding at the applicable rate of interest determined in accordance with subsection (e) of this Rule. The Customer's payment schedule will amortize the unpaid balance over the loan term. Daily simple interest means that interest is charged each day after applying any payment the Customer has made. All payments will be first applied to interest that is due and then to principal and other charges. Prepayment of the loan will be permitted without penalty.
- e. The interest rate will be fixed for the term of a loan, at the weighted cost of long-term debt.

RULES AND REGULATIONS**MAIN EXTENSIONS FOR BONA FIDE SERVICE APPLICANTS (cont'd)****66. Water System Connection Loan Program (cont'd):**

f. Notwithstanding the provisions of subsection (e), the interest rate shall not exceed 8% per annum. In the event that the weighted cost of long term debt as calculated pursuant to subsection (e) would, except for the provisions of this subsection (f), exceed 8% per annum, the Company shall have the option to suspend the making of loans under this Rule.

g. A Customer account which includes a loan payment surcharge will not be transferred to any tenant or non-owner occupant of the residence for which a loan is made. During the loan term, the owner of the residence will remain the Customer in whose name the bill for water service will be issued. If the residence is sold, a new owner who demonstrates intent to be the continuing Customer of the Company at the residence may elect in writing on a form provided by the Company to assume responsibility for the loan payments, subject to the terms of the financing agreement. A copy of the election form will be returned to the Company prior to sale of the residence. If the new owner does not elect in writing on a form provided by the Company to assume responsibility for the loan payments or does not demonstrate intent to be the continuing Customer at the residence, the loan and accrued interest shall become immediately due and payable upon sale of the premises.

h. The loan surcharge reflected on Customer bills will be collected by the Company, subject to all provisions of Rules 11 through 18 and 54 regarding billing for water service, terms of payment, late-payment charges and discontinuance of water service for non-payment. A partial payment of a bill for water service shall be first applied to cover the Customer's obligation under the loan and then to charges for other water service.

For accounting purposes, the Company will establish subaccounts in which loan payments shall be recorded. In one subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Company under the applicable Rules. In another subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Customer under the applicable Rules. Loan payments shall be allocated between the two subaccounts based upon the relative initial cost of the facilities covered by that subaccount as compared to the total amount of the loan. For each subaccount, amounts received as loan payments will be first applied to interest that is due and then to principal and other charges.

If a loan becomes uncollectible, the unpaid principal balance of the portion of the loan, if any, which relates to facilities owned and maintained by the Company will be recorded as a debit to Contributions-In-Aid-Of-Construction, and as a credit to Accounts Receivable. The unpaid balance of interest with respect to such portion of the loan (as of the time of the debit) shall be recorded as an uncollectible account. The unpaid balance of principal and interest for the portion of a loan, if any, which relates to facilities owned and maintained by the Customer, shall be recorded as a non-utility expense.

The Company's capital structure used for rate-making purposes will not include short-term debt issued by the Company to finance loans under this Rule.

RULES AND REGULATIONS**PRO-RATION OF BASE RATES ON CUSTOMER BILLS**

67. Pro-ration of Base Rates on Customer Bills: During a period of changes to base rates, billing of base rates for metered Customers involves proration of the different base rates based on days of invoice. The consumption for the entire period is divided by the number of service days to develop an average consumption per day for purposes of bifurcating the consumptions at the old rate and consumption at the new rate.

WAIVERS

68. Waivers: The Company may, at its sole discretion, waive any of the Rules contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

AMENDMENT OF COMMISSION REGULATIONS

69. Amendment of Commission Regulations: Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this tariff, the tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this tariff will remain unchanged.

PRIVILEGE TO INVESTIGATE/RIGHT TO ACCESS

70. Privilege to Investigate/Right to Access: The Company shall have the right by its employees to have access at all reasonable times to all parts of any Premises connected with the system, including Meters, service connections and other property owned by it on the Premises of the Customer for the purpose of examining and inspecting the connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause or for purposes of replacement, maintenance, operation or repair thereof.

RULES AND REGULATIONS

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ATTACHMENT A
WATER SERVICE TERMINATION
TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the terms and conditions herein stated, the parties hereto, intending to be legally bound, agree as follows:

1. In order to initiate water service termination to a customer of the Water Company, by reason of that customer's delinquent sewer charges payable to the Authority, an authorized and responsible officer of the Authority shall cause to be delivered to the Water Company a written request for such termination, together with the following information:

- a. The name and address of the sewer service customer; if premises is tenant occupied, the name and address of the landlord and the name and address of the tenant;
- b. The address and lot number of the premises for which water service termination is sought;
- c. A statement that the sewer charges for such premises remain unpaid for a period of at least thirty days from the due date thereof;
- d. A statement setting forth: (i) that the Authority has fulfilled all applicable notice and procedural steps required of it by law, statute, regulations ordinances and other authorities, including, without limitation those mandated by the Water Services Act (53 P.S. §3102.501 et seq) and (ii) that the Authority has not received written

or other information the effect of which would be to make water service termination unlawful.

2. Upon receipt of the information specified under Paragraph 1 hereof, the Water Company will promptly initiate water service termination procedures, in accordance with the procedures outlined in this Agreement, unless it should decline to do so, in which event the Water Company shall notify the Authority of the reasons therefore.

3. The Water Company may decline to initiate water service termination in the following instances:

- a. The involved premises is not receiving water service from the Water Company;
- b. The Water Company's customer at the involved premises is a different person or entity than the Authority's sewer customer;
- c. The water service to be terminated will adversely affect service to other Water Company customers, other premises served by the Water Company or the Water Company's delivery system;
- d. The Water Company has received verbal or written notice prohibiting or requiring deferral of water service termination;
- e. The nature of the facilities at the involved premises makes service termination impracticable;
- f. The Water Company receives advice from its legal counsel that water service should not be terminated under the particular circumstances;

- g. The termination of water service under the particular circumstances would be a violation of law or of applicable regulations;
- h. Other reasons mutually agreed between the Authority and the Water Company.

In the event that the Water Company so declines to initiate water service termination procedures for any reason, the Water Company shall, upon request from the Authority, supply the Authority with a written statement of the reasons why the Water Company has declined to terminate water service at the particular premises. If the Authority should desire to contest the reasons offered by the Water Company, then such dispute shall be resolved pursuant to the provisions of the Public Utility Code and/or the regulations of the Commission.

4. Under circumstances where the Authority initiates a request for water service termination procedures, it is understood and agreed that the Authority will comply with all applicable notice and procedural requirements relative to water service termination contained in the Water Services Act, the Utility Services Tenants Rights Act, the Pennsylvania Public Utility Code, the rules and regulations of the Commission, and the Water Company's rules and regulations contained in its tariff on file with the Commission

5. Exclusive of contact between the Water Company and its customer required to effect termination, it is understood that the Authority shall conduct all interaction and negotiations with the involved sewer customer, including without limitation, negotiations for payment of arrearages and all contact regarding pre-termination through post-termination procedures for dispute resolution. In addition, the

Authority shall prepare and deliver to the Water Company a copy of the notice to the involved sewer customer, notifying such customer that inquiries as to the arrearage or any dispute relative thereto should be directed to a named representative or department of the Authority at a given telephone number and that no contact should be made to the Water Company. Furthermore, the Authority shall, at the request of the Water Company, cause an authorized representative to be present at the involved premises at the time of water service termination and at any time when the premises must be visited to effectuate required notices or perform service termination procedures. Such representative of the Authority will be the participant exclusively in any discussions with the involved customer. The final decision whether to terminate water service shall be made by the Authority representative in attendance, and the Water Company employee may rely exclusively upon that decision.

6. Concurrent with the delivery of the written request required under Paragraph 1 hereof, the Authority shall pay to the Water Company the fee as set forth in the Water Company's Tariff (see Termination of Service), as amended from time to time, per involved premises, which shall not be refundable unless the Water Company should decline to initiate water service termination. It is understood that the fee described above shall be automatically increased to coincide with the charges for shutting off water service contained in the Company's tariff as on file with and approved by the Commission. Except as otherwise provided herein, said sum shall constitute payment in full to the Water Company for its services hereunder, including conducting service termination and restoration visits to the

involved premises and completing water service termination procedures. In addition, the Authority shall pay to the Water Company \$25.00 for each visit beyond the two visits per premises, which are required to effectuate water service termination at a particular premises. Furthermore, in the event that more than one hour is required to perform either the termination or restoration of water service to any involved premises, including travel time and time actually spent at the premises, the Authority shall pay the Water Company's actual costs of such visit, including labor, material, transportation and other fixed charges to the extent that such actual costs exceed \$25.00, unless such additional costs are the result of error or lack of effort on the part of the Water Company or Water Company personnel. The payment specified hereunder may be amended from time to time as agreed to by the parties hereto.

7. As to each premises for which water service is terminated hereunder, the Authority shall pay to the Water Company the estimated loss of water revenues resulting therefrom which shall be calculated in the same manner that the Water Company uses in the ordinary course of business to calculate estimated monthly water bills. The estimated monthly consumption per premises shall be applied to the Water Company's tariff rates in effect during the estimation period, including all minimum charges and surcharges. The total monthly estimated bill, so calculated, will be divided by 30 to determine the estimated daily rate. Estimated lost revenues shall be equal to the product of the estimated daily rate and the number of days water service was actually terminated at the involved premises. Estimated lost revenues shall be billed by the Water Company to the Authority,

periodically, and at approximately the same time as the Water Company would have billed the involved customer if water service had not been terminated. The Authority shall pay each such bill within 30 days of receipt thereof. Upon request the Water Company will provide to the Authority the estimated daily rate of lost revenue for specific premises for which service termination is contemplated. The Authority's liability for the estimated loss of water revenues resulting from such shut off shall terminate when the Authority authorizes the Water Company to restore water service or when water service is actually restored, whichever is earlier.

8. The Authority agrees to hold the Water Company harmless from any liability that the Water Company may incur in performing or attempting to perform water service termination and the procedures therefore in accordance with the terms of this Agreement. The Authority further agrees that it will, at its sole expense, legally defend and prosecute any action arising out of such performance or attempted performance, brought against the Authority, the Water Company or their respective agents or employees as a result of which the Water Company may incur any such liability. The Water Company reserves the right to retain its own counsel and participate independently in such proceedings.

9. If a dispute shall arise between the Authority and the Water Company regarding the cost of the Water Company's services hereunder, the amount of revenues lost, or the interpretation of the provisions of this or any subsequent agreement between the Water Company and the Authority concerning payment

for such services and lost revenues, such dispute shall be submitted by either party to the Commission, pursuant to the Water Services Act (53 P.S. §3102.505(d)).

10. This Agreement shall continue until terminated by either party on not less than 30 days written notice to the other party.

11. The Water Company complies with the Commission's heat-related moratorium that runs from December 1 to April 1. The Authority may request that the Water Company discontinue water service for non-payment of sewer charges for non-heat related accounts between December 1 to April 1.

AQUA PENNSYLVANIA WASTEWATER, INC.
(hereinafter referred to as the "Company")

RATES, RULES, AND REGULATIONS

GOVERNING THE COLLECTIONS OF

WASTEWATER

IN PORTIONS OF

ADAMS, BUCKS, CARBON, CHESTER, CLARION, CLEARFIELD, DELAWARE,
LACKAWANNA, LUZERNE, MONROE, MONTGOMERY, PIKE, SCHUYLKILL, VENANGO,
AND WYOMING COUNTIES

IN THE COMMONWEALTH OF PENNSYLVANIA

ISSUED: August 20, 2021

EFFECTIVE: October 19, 2021

By:

Marc Lucca, President
Aqua Pennsylvania, Inc.
762 Lancaster Avenue
Bryn Mawr, Pennsylvania 19010

NOTICE

THIS TARIFF PROPOSES INCREASE IN RATES AND CHANGES IN RULES AND
REGULATIONS OF SERVICE.

LIST OF CHANGES MADE BY THIS TARIFF

This proposed TARIFF WASTEWATER-PA P.U.C. NO. 3 as filed by Aqua Pennsylvania Wastewater, Inc. on August 20, 2021 supersedes TARIFF WASTEWATER WATER-PA P.U.C. NO. 2.

This proposed tariff also resets the Distribution System Improvement Charge (DSIC) to zero percent, simultaneously with the effective date of the new base rates.

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	<u>Township</u>	<u>County</u>
RATE ZONE 1		
Bunker Hill Subdivision (Rate Zone 1A)	Clinton	Wyoming
Bridlewood Division	Thornbury (portion)	Chester
Emlenton Borough Division	Richland (portion)	Clarion
Emlenton Borough Division	Salem (portion)	Clarion
Emlenton Borough Division	Emlenton	Venango
Emlenton Borough Division	Richland (portion)	Venango
Eagle Rock Division	Black Creek (portion)	Luzerne
Eagle Rock Division	Hazle (portion)	Luzerne
Eagle Rock Division	East Union (portion)	Schuylkill
Eagle Rock Division	North Union (portion)	Schuylkill
Media Division*	Media	Delaware
Penn Township Division	Penn	Chester
Pinecrest Division	Tobyhanna (portion)	Monroe
Rivercrest Division	Tunkhannock	Wyoming
Rivercrest Division	Washington	Wyoming
Treasure Lake Division (Rate Zone 1A)*	Sandy	Clearfield
Village at Valley Forge Division (Rate Zone 1A)*	Upper Merion	Montgomery
White Haven Division (Kidder)	Dennison (portion)	Carbon
White Haven Division (Kidder)	East Side (portion)	Carbon
White Haven Division (Kidder)	Dennison (portion)	Luzerne
White Haven Division (Kidder)	White Haven Borough	Luzerne
RATE ZONE 2		
Beech Mountain Lakes Division	Butler	Luzerne
Beech Mountain Lakes Division	Dennison	Luzerne
Deerfield Knoll Division	Willistown (portion)	Chester
Laurel Lakes Division (Wilbar)	Rice	Luzerne
Links at Gettysburg Division	Cumberland	Adams
Links at Gettysburg Division	Mount Joy	Adams
Stony Creek Division	Worcester (portion)	Montgomery
Thornhurst Division	Lehigh	Lackawanna
Willistown Woods Division (Chesterdale)	Westtown (portion)	Chester
Willistown Woods Division (Chesterdale)	Willistown (portion)	Chester
Woodloch Springs Division	Lackawaxen (portion)	Pike
Woodloch Springs Division (Woodloch Pines)	Lackawaxen (portion)	Pike
RATE ZONE 3		
Honeycroft Village Division	Londonderry (portion)	Chester
Lake Harmony Division	Kidder	Carbon
New Daleville Division	Londonderry (portion)	Chester
Peddlers View Division	Solebury (portion)	Bucks
Tobyhanna Township Division	Tobyhanna (portion)	Monroe
Twin Hills Division	West Pikeland (portion)	Chester

DESCRIPTION OF TERRITORIES SERVED

	<u>Township</u>	<u>County</u>
RATE ZONE 4		
Avon Grove School District	New London (portion)	Chester
Avon Grove School District	Penn (portion)	Chester
East Bradford Division (Brandywine)	East Bradford (portion)	Chester
Little Washington Division	East Brandywine (portion)	Chester
Plumsock Division*	Willistown (portion)	Chester
The Greens at Penn Oaks Division	Thornbury (portion)	Chester
Newlin Green Division	Newlin	Chester
Sage Hill Division	Thornbury (portion)	Chester
RATE ZONE 5		
CS Sewer Division (Masthope)	Lackawaxen	Pike
RATE ZONE 6		
Held for Future Use		
RATE ZONE 7		
Limerick Division	Limerick (portion)	Montgomery
RATE ZONE 8		
East Bradford Township Division	East Bradford (portion)	Chester
East Bradford Township Division	Birmingham (portion)	Chester
RATE ZONE 9		
Cheltenham Township Division	Cheltenham	Montgomery
Cheltenham Township Division	Jenkintown Borough (portion)	Montgomery
RATE ZONE 10		
East Norriton Township Division	East Norriton	Montgomery
RATE ZONE 11		
New Garden Township Division*	New Garden	Chester

*All Divisions and Subdivisions above are billed on a per EDU basis, with the exception of the Media Division, New Garden Division, Plumsock Division, Treasure Lake Division, and Village of Valley Forge Division.

DESCRIPTION OF TERRITORIES SERVED

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DESCRIPTION OF TERRITORIES SERVED

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SCHEDULE OF RATES

RATE ZONE 1 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 1 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>		
Customer Charge (\$)	Rate Zone 1	Rate Zone 1A
Fixed (per EDU)	\$ 39.10	\$ 39.10
<u>Meter Size:</u>		
5/8 inch	39.10	39.10
3/4 inch	58.65	39.10
1 inch	97.75	39.10
1-1/2 inch	195.50	78.20
2 inch	312.80	125.12
3 inch	586.50	234.60
4 inch	977.50	391.00
6 inch	1,955.00	630.65
8 inch	3,128.00	
10 inch	4,496.50	
Unmetered Charge (per EDU)	\$ 77.49	\$ 77.49
Special Charges		
Media Division - Unmetered:	\$ 77.49	
Bridlewood Division - Unmetered:		
Apartment Complex will be billed at 217 EDU's		
Children's World Daycare will be billed at 7 EDU's		
Emlenton Division - Unmetered:		
First 20 EDU's (per EDU)		\$ 77.49
Each Additional EDU over 20 EDU's		38.75
<u>MONTHLY CONSUMPTION CHARGE</u>		
Consumption Charge for all divisions (per 1,000 gallons water used)	\$ 9.598	\$ 9.598

SCHEDULE OF RATES

RATE ZONE 2 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 2 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>			
Customer Charge (\$)		Rate Zone 2	
	Fixed (per EDU)	\$	58.09
	<u>Meter Size:</u>		
	5/8 inch		58.09
	3/4 inch		87.14
	1 inch		145.23
	1-1/2 inch		290.46
	2 inch		464.73
	3 inch		871.37
	4 inch		1,452.29
	6 inch		2,904.58
	8 inch		4,647.32
	10 inch		6,680.53
Unmetered Charge (per EDU)		\$	101.03
<u>MONTHLY CONSUMPTION CHARGE</u>			
Consumption Charge			
(per 1,000 gallons water used)		\$	10.73
<u>QUARTERLY SPECIAL CHARGES</u>			
<u>STONY CREEK - WHITEHALL ESTATES</u>			
Customer Charge (\$)			
	Fixed (per EDU)	\$	174.27
Consumption Charge			
(per 1,000 gallons water used)		\$	10.73

SCHEDULE OF RATES

RATE ZONE 3 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 3 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>		
Customer Charge (\$)	Rate Zone 3	
Fixed (per EDU)	\$ 77.50	
<u>Meter Size:</u>		
5/8 inch	77.50	
3/4 inch	116.30	
1 inch	193.80	
1-1/2 inch	387.50	
2 inch	620.00	
3 inch	1,162.50	
4 inch	1,937.50	
6 inch	3,875.00	
8 inch	6,200.00	
10 inch	8,912.50	
Unmetered Charge (per EDU)		\$ 125.00
Special Charges		
Tobyhanna Division		
Nonresidential User Consumption Charge		\$ 11.88
(per 1,000 gallons water used above 7,600 gallons per month)		
<u>MONTHLY CONSUMPTION CHARGE</u>		
Consumption Charge		
(per 1,000 gallons water used)		\$ 11.88

SCHEDULE OF RATES

RATE ZONE 4 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 4 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>		
Customer Charge (\$)	Rate Zone 4	
Fixed (per EDU)	\$ 93.45	
Meter Size:		
5/8 inch	93.45	
3/4 inch	140.20	
1 inch	233.60	
1-1/2 inch	467.30	
2 inch	747.60	
3 inch	1,401.80	
4 inch	2,336.30	
6 inch	4,672.50	
8 inch	7,476.00	
10 inch	10,746.80	
Unmetered Charge (per EDU)		\$ 141.94
<u>MONTHLY CONSUMPTION CHARGE</u>		
Consumption Charge		
(per 1,000 gallons water used)		\$ 12.12
Special Charges		
Avon Grove School District - Flat Rate		\$ 10,503.71
East Brandywine Township Water & Sewer Authority - Wastewater Treatment Plant Consumption Rate (per 1,000 gallons)		\$ 12.12

SCHEDULE OF RATES

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SCHEDULE OF RATES

RATE ZONE 7 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 7 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>			
Customer Charge (\$)		Rate Zone 7	
Fixed (per EDU)		\$ 39.48	
Unmetered Charge			\$ 72.94
<u>MONTHLY CONSUMPTION CHARGE</u>			
Consumption Charge (per 1,000 gallons water used)			\$ 8.37
<u>QUARTERLY SERVICE CHARGE</u>			
Customer Charge (\$)			
Fixed (per EDU)		\$ 118.44	
Unmetered Charge			\$ 218.83
<u>QUARTERLY CONSUMPTION CHARGE</u>			
Consumption Charge (per 1,000 gallons water used)			\$ 8.37

SCHEDULE OF RATES

RATE ZONE 8 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 8 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>			
Customer Charge (\$)		Rate Zone 8	
	Fixed: per EDU	\$	39.10
	Commercial, Public, and Industrial Customers (per EDU)		39.10
Unmetered Charge			\$ 83.42
<u>MONTHLY CONSUMPTION CHARGE</u>			
Consumption Charge			
(per 1,000 gallons water used)		\$	11.08

SCHEDULE OF RATES

RATE ZONE 9 – METERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 9 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>			
Customer Charge (\$)		Rate Zone 9	
	Fixed (per EDU)	\$	28.21
<u>MONTHLY CONSUMPTION CHARGE</u>			
Consumption Charge			
(per 1,000 gallons water used)		\$	5.28

Wastewater customers in Cheltenham Township are required to comply with the City of Philadelphia's wastewater control regulations adopted by Cheltenham Township and included in Exhibit H to the Application filed at Docket No. A-2019-3008491.

Sewer Charge Adjustment

The Company is authorized to allow deductions on sewer bills for water which is used but does not enter the Company's system. A request for deduction shall be subject to the following regulations:

- A. Deductions apply within the Cheltenham Division and, in particular, to those customers identified on Exhibit G of the Application filed by Aqua Pennsylvania Wastewater, Inc., dated March 13, 2019. The Application of the Company was approved by the Pennsylvania Public Utility Commission in its Order entered on November 5, 2019 at PUC Docket Number A-2019-3008491.
- B. No deduction shall be granted for customers who do not have a metered water supply.

RATE ZONE 9 – CONTINUED

- C. No deduction shall be granted for customers who are delinquent in their payment for service.
- D. One hundred percent of any used water for which a deduction is requested must have been prevented from entering the system.
- E. It is the responsibility of the customer to purchase, install, and maintain the deduct meter at the approved and inspected water outlet on their property. The meter shall measure water not entering the system and shall be eligible for deduction of that used water monthly.
- F. Customers are responsible for the installation and removal of their meters at the approved service locations each year to prevent freezing and damage. Deduct meters shall be inspected by the Company at the time of installation at which time the customer agrees to allow the Company the right to enter upon their property for inspection. Every deduct meter shall be required to be inspected annually by the Company in order for the customer to be eligible for sewer adjustment charges. The inspection fee charged by the Company to the customer is \$100.00.
- G. All deduct meters shall be of a design approved by the Company, shall be registered with the Company prior to use, and shall be used only by the customer to whom it is registered and at the service location to which it is assigned in accordance with the Company's records.
- H. Customers are responsible for making their meter accessible to the Company for reading on a monthly basis. The Company shall then credit the customer's total gallons consumed by the gallons recorded from the customer's deduct meter.
- I. The Company shall be authorized to inspect meters for accuracy and calibration at any time the meter readings are suspect and/or not considered representative of usage. The customer shall be responsible for obtaining calibration of the meter if the Company determines it is not accurate.

SCHEDULE OF RATES

RATE ZONE 10 – METERED AND UNMETERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 10 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

<u>MONTHLY SERVICE CHARGE</u>			
Customer Charge (\$)		Rate Zone 10	
Fixed (per EDU)		\$ 32.37	
Unmetered Charge (per EDU)			\$ 58.53
<u>MONTHLY CONSUMPTION CHARGE</u>			
Consumption Charge			
(per 1,000 gallons)			\$ 6.54
Special Charges			
East Norriton customers connected to Whitpain Township - Metered:			
Residential Customer Charge per connection			
Customers using up to 6,666 gallons per month		\$	31.66
Customers using over 6,666 gallons per month		\$	39.57
Commercial Customer Charge per connection			
Customer Charge per month (up to 4,000 gallons)		\$	56.00
Consumption Charge		\$	8.00
(per 1,000 gallons above 4,000 gallons per month)			

SCHEDULE OF RATES

RATE ZONE 11 – METERED

The rates under this schedule apply to all customer classes in the territories served subject to Rate Zone 11 rates as noted in the Description of Territories Served section under this tariff unless otherwise specifically identified below.

QUARTERLY SERVICE & CONSUMPTION CHARGES (\$)

		Gallons per Quarter	Rate Zone 11 Quarterly (\$)	
<u>RESIDENTIAL</u>	Base	0 to 5,000	\$ 155.13	
	Excess 1	5,001 to 15,000	\$ 20.84	per 1000 gallons
	Excess 2	15,001 and over	\$ 27.00	per 1000 gallons
<u>COMMERCIAL 1</u>	Base	0 to 5,000	\$ 217.26	
	Excess 1	5,001 to 15,000	\$ 32.29	per 1000 gallons
	Excess 2	15,001 and over	\$ 41.43	per 1000 gallons
<u>COMMERCIAL 2</u>	Base	0 to 5,000	\$ 265.08	
	Excess 1	5,001 to 15,000	\$ 45.37	per 1000 gallons
	Excess 2	15,001 and over	\$ 57.26	per 1000 gallons
<u>INDUSTRIAL</u>	Base	0 to 5,000	\$ 806.55	
	Excess 1	5,001 to 15,000	\$ 59.18	per 1000 gallons
	Excess 2	15,001 and over	\$ 79.56	per 1000 gallons

COMMERCIAL 1 class (Rate Zone 11 - New Garden Division only)

Shall be defined as each commercial, retail, industrial or institutional establishment and each bedroom unit of a motel, hotel or boardinghouse, having sanitary facilities, including stores, food markets, professional offices, mushroom houses, automotive repair garages and establishments not regularly preparing and/or dispensing food or beverages, but excluding those uses enumerated in the Commercial 2 class, and excluding industrial establishments discharging biodegradable industrial waste.

COMMERCIAL 2 class (Rate Zone 11 - New Garden Division only)

Shall be defined as each restaurant, bar, institution or establishment regularly preparing and/or dispensing food or beverages, whether for consumption on or off the premises, including but not limited to stores, food markets, delicatessens, food marts, schools, day-care centers, or other establishments requiring food-handling licensing, and beauty parlor and service stations.

SCHEDULE OF RATES**DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)**

In addition to the net charges provided for in this Tariff, a surcharge of 3.00% shall apply to all bills issued on or after the Effective Date at the bottom of this page.

I. General Description

Purpose: To recover the reasonable and prudent costs incurred to repair, improve or replace eligible property which is completed and placed in service and recorded in the individual accounts, as noted below, between base rate cases and to provide the Company with the resources to accelerate the replacement of aging infrastructure, to comply with evolving regulatory requirements and to develop and implement solutions to regional supply problems. The costs of extending facilities to serve new customers are not recoverable through the DSIC. Utility projects receiving PENNVEST funding or using PENNVEST surcharges are not DSIC-eligible property.

Eligible Property: The DSIC-eligible property will consist of the following:

- Collection sewers, collecting mains and service laterals, including sewer taps, curb stops and lateral cleanouts installed as in-kind replacements for customers. Accounts. (360 & 361)
- Collection mains and valves for gravity and pressure systems and related facilities such as manholes, grinder pumps, air and vacuum release chambers, cleanouts, main line flow meters, valve vaults, and lift stations installed as replacements or upgrades for existing facilities that have worn out, are in deteriorated condition or are required to be upgraded by law, regulation or order. Accounts (360;361;362;363;364; & 365)
- Collection main extensions installed to implement solutions to wastewater problems that present a significant health and safety concern for customers currently receiving service from the wastewater utility. Accounts (360 & 361)
- Collection Main rehabilitation including inflow and infiltration projects. (Account 361)
- Unreimbursed cost related to highway relocation projects where a wastewater utility must relocate its facilities. Account (360;361;362;363;364; & 365)
- Other related capitalized costs. Account (389.2)

Effective Date: The DSIC will become effective for bills rendered on and after October 1, 2013.

II. Computation of the DSIC

Calculation: The initial charge, effective October 1, 2013, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rates or rate base and will have been placed in service between June 1, 2013 and August 31, 2013. Thereafter, the DSIC will be updated on a quarterly basis to reflect eligible plant additions placed in service during the three month periods ending one month prior to the effective date of each DSIC update. Thus, changes in the DSIC rate will occur as follows:

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

<u>Effective Date of Change</u>	<u>Date to Which DSIC Eligible Plant Additions Reflected</u>
April 1	December 1 to February 28/29
July 1	March 1 to May 31
October 1	June 1 to August 31
January 1	September 1 to November 30

The fixed costs of eligible distribution system improvement projects will consist of depreciation and pre-tax return, calculated as follows:

Depreciation: The depreciation expense will be calculated by applying to the original cost of DSIC-eligible property the annual accrual rates employed in the Company's last base rate case for the plant accounts in which each retirement unit of DSIC-eligible property is recorded.

Pre-tax Return: The pre-tax return will be calculated using the statutory state and federal income tax rates, the Company's actual capital structure and actual cost rates for long-term debt and preferred stock as of the last day of the three month period ending one month prior to the effective date of the DSIC and subsequent updates. The cost of equity will be the equity return rate approved in the Company's last fully litigated base rate proceeding for which a final order was entered not more than two years prior to the effective date of the DSIC. If more than two years shall have elapsed between the entry of such a final order and the effective date of the DSIC, then the equity return rate used in the calculation will be the equity return rate calculated by the Commission staff in the latest Quarterly Report on the Earnings of Jurisdictional Utilities released by the Commission.

DSIC Surcharge Amount: The charge will be expressed as a percentage carried to two decimal places and will be applied to the total amount billed to each customer for service under the Company's otherwise applicable rates and charges, excluding amounts billed for the State Tax Adjustment Surcharge (STAS). To calculate the DSIC, one-fourth of the annual fixed costs associated with all property eligible for cost recovery under the DSIC will be divided by the Company's projected revenue for wastewater service (including all applicable clauses and riders) for the quarterly period during which the charge will be collected.

SCHEDULE OF RATES

DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Formula: The formula for calculation of the DSIC surcharge is as follows:

$$\text{DSIC} = \frac{(\text{DSI} \times \text{PTRR}) + \text{Dep}}{\text{PQR}} + \frac{e}{\text{PQR}}$$

Where:

DSI = The original cost of eligible distribution system improvement projects, net of accumulated depreciation.

PTRR = The pre-tax return rate applicable to eligible distribution system improvement projects.

Dep = Depreciation expense related to eligible distribution system improvement projects.

e = The amount calculated under the annual reconciliation feature or Commission Audit, as described below.

PQR = Projected quarterly revenue for wastewater service will be based on the applicable three-month period, (including all applicable clauses and riders) including revenue from existing customers plus netted revenue from any customers which will be gained or lost by the beginning of the applicable service period.

Quarterly Updates: Supporting data for each quarterly update will be filed with the Commission and served upon the Bureau of Investigation & Enforcement, the Office of Consumer Advocate, Bureau of Audits and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the update.

III. Safeguards

All Customer Classes: The DSIC shall be applied equally to all customer classes, with the exception of Woodloch Pines and any future customers with negotiated contracts for which a reduction or exemption is shown to be reasonably necessary.

Cap: The DSIC will be capped at 5.00% of the amount billed to customers (including all applicable clauses and riders) as determined on an annualized basis.

SCHEDULE OF RATESDISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)

Audits/Reconciliation: The DSIC will be subject to audit at intervals determined by the Commission. Any cost determined by the Commission not to comply with any provision of 66 Pa C.S. §§ 1350, et seq., shall be credited to customer accounts. It will also be subject to an annual reconciliation based on a reconciliation period consisting of the twelve months ending December 31 of each year or the utility may elect to subject the DSIC to quarterly reconciliation but only upon request and approval by the Commission. The revenue received under the DSIC for the reconciliation period will be compared to the Company's eligible costs for that period. The difference between revenue and costs will be recouped or refunded, as appropriate, in accordance with Section 1307(e), over a one-year period commencing on April 1 of each year, or in the next quarter if permitted by the Commission. If DSIC revenues exceed DSIC-eligible costs, such over-collections will be refunded with interest. Interest on the over-collections and credits will be calculated at the residential mortgage-lending rate specified by the Secretary of Banking in accordance with the Loan Interest and Protection Law (41 P. S. sec.101, et seq.) and will be refunded in the same manner as an over-collection. The utility is not permitted to accrue interest on under collections.

New Base Rates: The charge will be reset at zero as of the effective date of new base rates that provide for prospective recovery of the annual costs that had theretofore been recovered under the DSIC. Thereafter, only the fixed costs of new eligible plant additions that have not previously been reflected in the Company's rates or rate base would be reflected in the quarterly updates of the DSIC.

Earning Reports: The charge will also be reset at zero if, in any quarter, data filed with the Commission in the Company's then most recent Annual or Quarterly Earnings Report show that the Company will earn a rate of return that would exceed the allowable rate of return used to calculate its fixed costs under the DSIC as described in the Pre-tax return section. The utility shall file a tariff supplement implementing the reset to zero due to overearnings on one-days' notice and such supplement shall be filed simultaneously with the filing of the most recent Annual or Quarterly Earnings reports indicating that the utility has earned a rate of return that would exceed the allowable rate of return used to calculate its fixed costs.

Customer Notice: Customers shall be notified of changes in the DSIC by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.

Residual E-Factor Recovery Upon Reset to Zero: The utility shall file with the Commission interim rate revisions to resolve the residual over/under collection or E-factor amount after the DSIC rate has been reset to zero. The utility can collect or credit the residual over/under collection balance when the DSIC rate is reset to zero. The utility shall refund any over-collection to customers and is entitled to recover any under collections as set forth in Section III Safeguards – Audits/Reconciliations. Once the utility determines the specific amount of the residual over or under collection amount after the DSIC rate is reset to zero, the utility shall file a tariff supplement with supporting data to address that residual amount. The tariff supplement shall be served upon the Commission's Bureau of Investigation and Enforcement, the Bureau of Audits, the Office of Consumer Advocate, and the Office of Small Business Advocate at least ten (10) days prior to the effective date of the supplement.

SCHEDULE OF RATES

STATE TAX ADJUSTMENT SURCHARGE (STAS)

In addition to the net charges provided for in this Tariff, a surcharge of 0.00% will apply to all bills issued on or after the Effective Date at the bottom of this page.

The above surcharge will be recomputed using the element prescribed by the Commission in its policy at 52 PA Code section 69.51 et seq.:

- On or before March 31 of each year; and/or
- Whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in the state tax liability arising under the law.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations or orders. If the recomputed surcharge is less than the one in effect, the Company will, or if the recomputed surcharge is more than the one in effect, the Company may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations or orders. In the event that the Company files an increased surcharge subsequent to 10 days after the occurrence of an event which occasions a recomputation, the effective date of such tariff or supplement shall be 60 days after filing in accordance with Section 1308(a) of the Public Utility Code, 66 Pa.C.S. § 1308(a) (regarding voluntary changes in rates), unless otherwise directed by the Commission.

The surcharge shall be rolled into base rates when increased or decreased base rates are made effective.

SCHEDULE OF RATES**FEDERAL TAX ADJUSTMENT SURCHARGE (FTAS)**

The Federal Tax Adjustment Surcharge ("FTAS") is instituted as a mechanism to adjust for changes in the federal corporate income tax rate that are not reflected in the Company's most recent general base rate proceeding. The FTAS is applicable to all base rates under this Tariff. The amount of the adjustment will be determined as provided below.

I. Determination of the Change in Recoverable Federal Income Taxes Resulting from Increases or Decreases in the Federal Corporate Income Tax Rate ("FITA").

a. FITA shall include the effect of the increase or decrease in the federal corporate income tax rate on:

- i. the provision in rates for recovery of current federal income taxes;
- ii. the provision in rates for recovery of deferred federal income taxes; and
- iii. any provision in rates for adjustment of previously deferred federal income taxes recorded at a different federal income tax rate.

b. The increases/decreases in annual revenues under this Rider will be calculated based on either the federal tax amounts associated with utility investments, revenues and expenses allowed in the Company's most recent general base rate proceeding if fully determined in a Final Order, if available, or on the federal tax amounts associated with utility investments, revenues and expenses incurred by the Company in the calendar year preceding the effective date of the tax rate change. If any base rate revenue increase is granted during such calendar year or thereafter, the actual federal tax amounts will be adjusted to reflect the annualized increase in federal corporate income taxes resulting from the allowed increase in base rate revenues.

II. Allocation of Increased/ Decreased Revenues to Rate Classes

a. The required increase/decrease in revenues to reflect the change in the federal corporate income tax rate calculated pursuant to this Rider shall be applied by equal percentage to all base rates.

SCHEDULE OF RATES

FEDERAL TAX ADJUSTMENT SURCHARGE (FTAS) (cont'd)

III. Calculation and Filing of Adjusted Rates For Changes in the Federal Corporate Income Tax Rate

- a. To calculate the FTAS, the required increase/decrease in revenues will be divided by the Company's projected annual revenue for wastewater service for the period during which the charge will be collected, exclusive of State Tax Adjustment Surcharge (STAS) and automatic adjustment clause revenues.
- b. The surcharge will be expressed as a percentage carried to two decimal places and will be applied to the total base charges that are billed to each customer for wastewater service.
- c. The surcharge will be filed to become effective on ten (10) days' notice as soon as practicable following the effective date of the federal corporate income tax change, including appropriate supporting data demonstrating the calculation of the revenue adjustment and determination of the surcharge.
- d. After the initial filing, the FTAS surcharge shall be filed with the Commission by April 1 of each year that it is in place.
- e. The FTAS shall be applied on a bills rendered basis.

IV. Formula

The computation of the FTAS is as follows:

$$\text{FTAS} = \frac{((\text{FITA} * \text{GRCF}) + e)}{\text{PAR}}$$

$$\text{GRCF} = (1/((1-\text{SIT}) * (1-\text{FIT})))$$

Where:

FITA = Reflects the federal income tax adjustment, if any, as defined in Part A of this Rider and may be a positive or negative value.

GRCF = Gross Revenue Conversion Factor.

SIT = State Income Tax rate in effect at the time of the filing.

FIT = Federal income tax rate in effect at the time of the filing.

e = Amount calculated (+/-) under the annual reconciliation feature or Commission audit.

PAR = Projected annual revenues for base service (excluding all applicable clauses and riders) from existing customers plus netted revenue from any customers which will be acquired or lost by the beginning of the applicable service period.

SCHEDULE OF RATES

FEDERAL TAX ADJUSTMENT SURCHARGE (FTAS) (cont'd)

V. Reconciliation

- a. The surcharge shall be reconciled on an annual basis to provide for over/under-recoveries of the revised revenues to be recovered. The revenue received under the FTAS for the reconciliation period will be compared to the Company's required increase/decrease in revenues as defined in Part A. The difference will be recouped or refunded, as appropriate, over a one-year period commencing on April 1 of each year. The surcharge will be reconciled at the end of each calendar year and will remain in place until the Company files and the Commission approves new base rates for the Company pursuant to Section 1308(d).
- b. Under- or over-recoveries of the required revenue changes to reflect a delay in implementation of the surcharge following the effective date of the federal corporate income tax rate, including the effect of implementation of a federal corporate income tax rate change on a retroactive basis, will be reconciled in the first annual reconciliation filing.
- c. Upon determination that the surcharge, if left unchanged, would result in a material over- or under- collection, the Company may file with the Commission, on at least ten (10) days' notice, for an interim revision of the FTAS.
- d. Interest will not be applied to reconciled amounts.
- e. The FTAS will not be included in the calculation of the Distribution System Improvement Charge ("DSIC").

SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM AND UNIVERSAL SERVICE RIDER****Customer Assistance Program (“CAP”):****I. Availability**

The CAP is a program designed to enroll residential Customers who satisfy the criteria set forth below (“CAP Program”).

Processing and verification by authorized agencies upon referral by the Company’s offices, other agencies, or the Commissions Bureau of Consumer Services.

Residential Customer of the Company.

Annual income no greater than 200 percent of the federal poverty limit (“FPL”). For payment purposes Customers will be defined as follows:

- a. Tier 1 – Customers whose annual income has been verified as being at or below 100 percent of FPL.
- b. Tier 2 – Customers whose annual income has been verified as being at or above 100 percent FPL or less than 150 percent of FPL.
- c. Tier 3 – Customers whose annual income has been verified as being at or above 150 percent FPL or less than 200 percent of FPL.

II. Rate Table

Eligible Customers will receive a pay the discounted rates as set forth below:

<u>Tier</u>	<u>Customer Charge</u>	<u>Consumption Charge</u>
1	75% discount on Customer Charge	100% discount on first 2,000 gallons
2	65% discount on Customer Charge	50% discount on first 2,000 gallons
3	50% discount on Customer Charge	0% discount on first 2,000 gallons

SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM AND UNIVERSAL SERVICE RIDER (cont'd)****III. Surcharges**

All surcharges applicable under the Company's Rules and Regulations shall still apply to Customers under the CAP Program.

IV. Late Payment Charges

No late payment charges shall be applied to arrearages existing at the time the Customer begins receiving service under the CAP Program. Late payment charges will not be applied during participation in the CAP Program.

V. Rules and Regulations

If, at any time after acceptance into CAP, a Customer's family size or income changes, the Customer must notify the Company of the change within 30 days of the change. Failure to do so may result in the Company ending the Customer's opportunity to receive service under the CAP Program.

If a Customer no longer satisfies the criteria set forth under Availability, the Customer will no longer be eligible to receive service under the CAP Program.

At the time of application to the CAP Program, the Customer will be advised of the importance of timely payments. The CAP Program screening administrator will review relevant assistance programs and offer help in applying for such programs.

Failure to make payments will result in the Company returning the participant to the regular collection cycle and may lead to termination of service. To avoid termination, the participant must pay the amount set forth in the termination notice prior to the scheduled termination date.

SCHEDULE OF RATES**CUSTOMER ASSISTANCE PROGRAM AND UNIVERSAL SERVICE RIDER (cont'd)**

Universal Service Rider (“USR”): This rider shall be applicable to all residential Customers except for any residential Customers served in the Company’s Customer Assistance Program (“CAP”). This rider covers costs related to the Company’s universal service program.

I. Rate

USR percentage of total bill 0%

The charges assessed per this USR shall be assessed to residential Customers served under all Rate Zones.

Costs related to the following universal service programs shall be calculated and recovered per this USR: CAP Costs.

CAP Costs will be calculated to include the following components:

- a. Projected CAP Discounts – Projected CAP discount costs for the projected annual period.
- b. Pre-Program Arrearage Forgiveness – Projected CAP pre-program arrearage forgiveness costs for the projected annual period.

Third party costs for the purposes of CAP administration will be included in the calculation of the USR. The applicable unit for this rider shall be determined by dividing the total costs universal service plan costs by the annual projected residential revenues established in the Company’s most recent base rate case.

II. Quarterly Adjustment

Effective with each quarterly Section 1307(e) change, the unit rate under this USR shall be recalculated to reflect the current cost data for the costs components outlined above. The updated rate will be filed to be effective one day after filing.

III. Annual Reconciliation

As part of the quarterly adjustment filing effective on April 1 of each year, the Company shall include a reconciliation of actual revenues recovered under USR and actual universal service costs incurred for the twelve-month period ended December 31. The resulting over/under collection will be included in the quarterly USR rate adjustment to be effective April 1.

SCHEDULE OF RATES

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RULES AND REGULATIONS**SECTION A – INTRODUCTION**

These Rules and Regulations, files as part of the Company's Tariff, shall govern the manner in which wastewater service is provided to all Applicants and Customers. The Company may supplement these Rules and Regulations, and may revise and amend these Rules and Regulations from time to time subject to the approval of the Pennsylvania Public Utility Commission ("Commission"). The Company will follow Commission regulations not specifically addressed in these Rules and Regulations.

There are four classes of general metered service, based on the nature of the Customer and the use of the property receiving service, as follows:

Residential Class: An individually-metered or flat rate billed dwelling unit intended for human habitation (including a detached house, rowhome, townhouse, condominium and mobile home) or an individually-metered or flat rate billed home or building consisting of not more than two dwelling units.

Commercial Class: A building store restaurant or office which is primarily a site for the buying or selling of goods or the provision of professional or consumer services. In addition, apartments, condominium complexes, colleges, private and public schools, car washes, laundromats, construction sites, hotels, and motels are included in this class.

Industrial Class: A building or factory which is primarily a site for the manufacture or production of goods.

Public: A public building, library, park or playground which is owned by a governmental unit which has the power of taxation.

RULES AND REGULATIONS**SECTION B - DEFINITIONS**

Wherever used in the Rules and Regulations or elsewhere in the Tariff of the Company, the following terms shall have the meanings hereinafter set forth:

Applicant: A person, at least 18 years of age, who is not currently receiving service but has applied to the utility for service and whose name appears on the mortgage deed, or lease of the property for which service is requested.

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either existing or to be subdivided, where service is to be provided to something other than a preexisting residential structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-residential structure.

Commission: The Pennsylvania Public Utility Commission.

Company: Aqua Pennsylvania Wastewater, Inc. and its duly authorized officers, agents and wastewater employees; each acting within the scope of his authority and employment.

Company Service Lateral: The pipe or line extending laterally out from the Company collection Main that connects to the building service line ("Service Connection") at the hypothetical or actual curb line, edge of the right-of-way or the actual property line.

Company's System: The aggregate of the Company's wastewater disposal plant, pumping equipment, trunk lines or Mains and connection facilities to the curb-line at each premise.

Construction Costs: All direct and indirect costs attributable to the material and installation of the subject Main extension, services and appurtenances, and/or removal of existing Company facilities (including the net book value of property replaced or retired) whether incurred by the Builder or the Company.

Contributory Industrial User: Any industrial user that the Company has determined discharges specific pollutants to the treatment works at concentrations greater than typical domestic/commercial wastewaters.

Customer: A person at least 18 years of age, or entity who is an owner, occupant or who contracts with the Company for or who takes or receives wastewater collection, treatment and/or disposal service.

Customer Service Line: The connecting facilities owned by the Customer from the Company wastewater supply lines or Mains at the curb-line into and within the Customer's premises.

Domestic Wastes: A combination of water-carried wastes, consisting of wash water, culinary wastes and liquid wastes containing only human excreta and similar matter flowing in or from a building drainage system of sewer originating from residences, business buildings, institutions, and commercial establishments.

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

Equivalent Dwelling Unit or "EDU": The EDU is a measure based upon the estimated average daily wastewater flow for the type of business, as calculated by the Pennsylvania Department of Environmental Protection regulation at 25 Pa. Code § 73.17 divided by the typical estimated average daily wastewater flow from a current single-family unit. In the Company's sole discretion, the Company may assign more than one (1) EDU for a residential Property.

Grinder Pump: Any mechanical or powered device used to grind, macerate or fluidize waste so that it can be discharged into the Company's facilities. This device is a component of the Customer Service Line and the sole responsibility of the Customer to own, maintain and operate along with the balance of their Customer Service Line. The Customer shall be responsible for all power to operate the device in accordance with the manufacturer's specifications and guidelines.

Industrial Waste Permit or Contract: A wastewater permit or contract issued as required by the Company to an industrial user.

Industrial Waste Pretreatment Program: A program established by the Company that requires discharges to monitor, test, treat and control as necessary, pollutants in their wastewater prior to discharge into the sanitary and/or combined sewer.

Line Extension: An addition to the Company's System Mains which is necessary to serve the Premises of a Customer.

Main: The Company's pipe, excluding Service Connections, located in a public highway, street, alley, or private right-of-way which pipe is used in transporting Wastewater.

Maximum Allowable Industrial Loading: The maximum mass of pollutants that is allowed to be discharged to the treatment works from all contributory industrial users.

Nondomestic Waste or Industrial Waste: Any wastewater resulting from any process of industry, manufacturing, trade, or business or from the development or recovery of any natural resource, or any mixture of such waste with water or domestic wastewater, as distinct from domestic wastewater.

Person: Any individual, firm, company, association, society, corporation, institution, group, or any other legal entity.

Premise: A single lot or piece of ground consisting of a single residential unit, together with all buildings and structures erected thereon.

Pretreatment: The reduction or elimination of pollutants, or the alteration of the nature of pollutant properties prior to discharging into the wastewater system. This reduction or alteration can be obtained by physical, chemical, or biological processes, by process changes, or by other means, except by diluting the concentration of the pollutants unless allowed by an applicable pretreatment standard.

Property: In general terms, a separate parcel of land owned in fee simple absolute, including any home(s), condominium(s), Home Owner's Association or building(s) affixed thereto, which is delineated by the description contained on the recorded deed, and which may be further delineated by any public roads.

RULES AND REGULATIONS**SECTION B – DEFINITIONS (cont'd)**

Prospective Customer: Any owner, tenant or lessee of a property that is expected to be receiving wastewater service for at least one year following the commencement of wastewater service.

Residential Structure: A home or building which contains only individually-metered or flat rate dwelling units intended for human habitation.

Sanitary Sewer: A sewer which primarily carries sanitary wastewater, together with such storm, surface and ground water as may be present.

Service Connection: See Definition for Company Service Lateral.

Shall: is mandatory; May is permissive.

Tariff: All the service rates, rules and regulations issued by the Company, together with any supplements and revisions thereto, officially approved by the Commission and contained in this document.

User or Discharger: Any person that discharges, causes, or permits the discharge of wastewater into a Company sewer.

Waste: Rejected, unutilized or superfluous substances in liquid, gaseous, or solid form resulting from domestic and nondomestic activities.

Wastewater: A combination of the water-carried waste from residences, businesses, buildings, institutions, and industrial establishments, together with any ground, surface, and storm water that may be present, whether treated or untreated, discharged into or permitted to enter a Company sewer.

RULES AND REGULATIONS**SECTION C – APPLICATION FOR SERVICE**

1. Application for Wastewater Service by a New Owner or Occupant at an Existing Service Property: Where a Customer's Service Line exists on a property to be served in compliance with the Company's rules, service will be furnished by the Company as soon as reasonably practicable after written or oral application of the owner or tenant of the property or his properly authorized agent. The Customer receiving service takes such service subject to the Company's Tariff, including its Rules and Regulations.

2. Application for Wastewater Service to a Proposed Service Property: Where an adequate sewer Main abuts the Customer's Property, a service connection will be made as soon as reasonably practicable after the appropriate application forms have been completed by the Property owner or his properly authorized agent and subsequently submitted to, and approved by, the Company. Where an adequate sewer Main does not abut the Customer's Property, the Customer must make necessary arrangements with the Company's New Business Office for the extension of sewer in accordance with the Company's Rules and Regulations. Service Connection application forms will be furnished by the Company on request.

All applications for service must be in writing on a form provided by the Company and signed by the owner or owners of the Property to which wastewater collection service will be provided; except that where a lessee of property occupies or uses the Property under a lease having a fixed term of more than six (6) months, the lessee may request service as an Applicant. The Company may, at its sole discretion, require that a separate contract for service be signed by the Applicant.

Nonresidential service customers which desire to discharge Nondomestic Wastes into the sanitary wastewater system or existing industrial/commercial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the wastewater discharging into the Sanitary Sewer, shall notify the Company prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as the Company may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES****1. Provision of Service:**

- Connection of a Premise to the Company's System constitutes a contract for service subject to all Rules and Regulations and rate schedules as provided for in this Tariff.
- The Company will install a Company Service Lateral from the main to the curb, or such point as determined by the Company of a size and material determined by the Company in its discretion. Any additional or larger connection facilities requested by the Customer may be installed provided the proposed discharge into the system is within the capability of the system, complies with these Rules and Regulations, and the Customer pays the additional costs for the installation.
- No owner or tenant of any Premises connected with the Mains of the Company will be allowed to permit another person or premises to use or connect with its Customer Service Line, except upon written permit from the Company.
- Any violation of the Rules and Regulations of the Company shall render the contract between the Customer and the Company void, and service may be discontinued after due notice, remaining so until such time as the Company is satisfied that the Customer will observe the Rules and Regulations. Service will not be connected until the actual costs of the discontinuing and reconnections are paid in full.

Service Line Inspection Fee

- Charge for the Company's time involved in the inspection of a Customer Service Line tie-in to the Company's wastewater system shall be fifty dollars (\$50.00) per service line.

2. Customer Service Line: The Customer Service Line shall extend from the Property to the Curb Stop or cleanout or such point as designated by the Company. All connections, service lines and fixtures owned by the Customer shall be maintained by the Customer in good order, and all meters and appurtenances owned by the Company and located on the Property of the Customer shall be protected properly by the Customer. All leaks in or other deteriorated condition of the Customer's Service Line or any other pipe or fixture in or upon the Premises supplied must be repaired immediately by the owner or occupant of the Premises.

3. Size, Kind, and Location of Service Lines: The Company reserves the right to determine the size, kind and location of the service line, from the main to the curb, and from the curb to the property to be served. The Customer's service line shall not cross intervening properties unless the property is landlocked and there is no other way in which service can be provided (for example, because the property does not abut a public road) and an appropriate easement is obtained by the Customer for the Customer's benefit, a copy of which must be furnished to the Company. The service line from the curb stop or cleanout to the property shall be furnished, installed, owned, and maintained by the owner of the property, and where possible shall be laid in a straight line at right angles to the curb line within the building limits of the structure to be served and at a minimum depth of cover specified by the Company, and bedded in at least 6 inches of sand, in property owned in fee simple absolute.

SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)

4. Right to Reject: The Company may refuse to connect with any Customer Service Line or furnish wastewater collection, treatment and/or disposal through a service already connected if such system or service is not properly installed or maintained.

5. Separate Trench: The Customer Service Line shall not be laid in the same trench with drain or water pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a utility service.

6. Customer Grinder Pump: In areas of the Company's System where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their Customer Service Line, shall install, own, operate, and maintain and replace a Grinder Pump and holding tank at the Customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair. The Grinder Pump shall meet specifications as provided by the Company. The failure of a Customer to properly install and maintain a Grinder Pump, including replacement, shall construe grounds for the Company to initiate action to terminate service to the Customer and seek recovery for any damage to the Company's facilities caused by an improperly functioning Grinder Pump.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)**

7. Individual Service Lines: Except as otherwise expressly authorized by the Company, each individual Customer shall be served only through a separate service line connected directly to the Company Service Lateral, and that Customer Service Line shall not cross over the Property of or serve any other Customer or Premise. The maximum Customer Service Line length shall be two hundred and fifty (250) feet from the Service Connection(s) with clean-outs every 50 feet. The Company shall have the right to waive this maximum length requirement at its sole discretion. No additional attachment may be made to any Customer Service Line for any purpose without the express written approval of the Company.

8. Customer Responsibilities:

a. Use shall be restricted to Domestic Wastes, unless a special agreement is made satisfactory to the Company as to other uses. No Customer shall discharge into the system roof, storm, surface or ground water, swimming pools, drainage from cesspools or drain fields, cistern, combustible gases or liquids, insoluble solids, industrial type waste or other harmful substances. Any Customer discharging any unauthorized matter into the system, which causes damage to Company facilities or interferes with the operation of the system, will be required to cease using the system and pay whatever damages and costs are incurred as a result.

b. Each Customer Service Line shall be installed and maintained by or on behalf of the Customer at its expense and in full accordance with the Company's specifications as to materials, size, location and underground construction, starting at the curb-line at a location designated by the Company.

c. No sewer connection, or disconnection, shall be made to the Company's Main except under the supervision, control and approval of the Company's authorized representative. All such connections shall be property of the Company and shall be accessible to it and under its control. The Company will furnish, install, and maintain all Company Service Laterals from the Main to the property line or right of way.

d. No repairs, alterations, or additions to any drain or Service Connection with the Company's System shall be made, unless the person desiring to make the same shall first receive permission from the Company for doing so.

e. Connections with sewers that run through private property shall, in all respects, be governed by these Rules and Regulations.

RULES AND REGULATIONS**SECTION D – CONSTRUCTION AND MAINTENANCE OF FACILITIES (cont'd)****9. Company's Service Lateral:**

Except for Service Connections made in accordance with the section, "Main Extensions", the Company will make all connections to its Mains and furnish, install and maintain the Company Service Laterals from the Main up to the hypothetical or actual curb line, edge of the right-of-way or the actual property line. The Company Service Laterals will be the property of the Company and under its control.

The maximum Company investment per Company Service Lateral to a Bona Fide Service Applicant shall be calculated under the same formula as described in the "Company Contribution" of Section I, "Main Extensions", of this Tariff.

The cost of any Company Service Lateral in excess of the applicable maximum Company investment shall be paid by the Customer. The Company may require payment of the estimated amount of such excess cost in advance of the installation and will make a partial repayment of the extent the actual cost is determined to be less than the estimate.

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY****Termination and Discontinuance of Service:**Termination and Discontinuance by the Company

1. Service may be terminated by the Company for any one of the following reasons:

- a. Failure of a Customer to maintain and repair its Customer Service Line(s);
- b. Failure of a Customer to pay a bill for service in accordance with the Commission's regulations;
- c. Vacancy of the Premises;
- d. Violation by a Customer, or with his consent, of any of these Rules and Regulations.

2. The Company may, without notice, discontinue wastewater service if an emergency reasonably requires it in order to make necessary repairs or connections or to meet any other emergency; however, the Company will give notice of any discontinuance of service if it is reasonably possible to do so.

3. If you are a victim of domestic violence and have a Protection From Abuse Order or other court order that shows clear evidence of domestic violence, there are special protections available.

Discontinuance by the Customer

1. A Customer desiring the discontinuance of wastewater service shall give written notice to the office of the Company and the Customer will be responsible for service charges until such notice is given. A new application must be made on any change of Customers on a Property as required at the office of the Company, and the Company shall be at liberty to discontinue the service until such new application has been made and approved.

2. The Customer desiring abatement from wastewater bills shall report same in writing or call in person at the office of the Company. All vacancies shall date from the day reported at the office of the Company. When vacancy is properly reported, an allowance will be made for the period of vacancy, but not for less than one month.

Restoration of Service: After termination of service it will not be reconnected until all amounts due to the Company have been paid plus the cost of a fifty dollar (\$50.00) turn-on charge prior to service reconnection (with the exception of the Masthope Division).

RULES AND REGULATIONS**SECTION E – TERMINATION, DISCONTINUANCE, RESTORATION OF SERVICE, AND SERVICE CONTINUITY (cont'd)****Service Continuity and Liability:**

In the course of furnishing service that needs to be adequate, but not perfect, it is recognized that there will be times when service is subject to interruption or disruption as a result of Main breaks, the failure of equipment or facilities, and for other reasons. Accordingly, the liability of the Company shall be limited to two thousand dollars (\$2,000.00) in any legal action brought against the Company for damages in connection with: 1) a service interruption or delay, or cessation or lack of adequate, efficient, safe and reasonable service and facilities; and/or 2) a failure of equipment, including, but not limited to, a break or leak in a Main, service line or Meter owned by the Company.

In any legal action where a court does not recognize, or is being asked to interfere with or hamper, the jurisdiction of the Commission to authorize limitations of liability or to exclusively determine whether the service and facilities of a public utility are in conformity with the regulations and Orders of the Commission, the public utility may certify to the Commission the question of the appropriateness of such court action by filing a petition for declaratory judgment with the Commission.

Furthermore, the Company shall not be liable in any action where the loss or damage involves an act of God or does not involve a duty of the Company, including breaks or leaks on facilities that are not owned by the Company, such as breaks, leaks, defects or conditions in the Customer's Service Line, Meter, internal plumbing or fixtures, or due to the materials out of which those facilities are made. Further, the Company shall not be liable in any action where the loss or damage does not involve a breach of a duty of the Company, including where the Company does not receive actual notice, either written or oral, that a Company facility (located within the public right-of-way, in a sidewalk or on a Customer's Property) is in need of repair that is not proven to have been in that condition at the time of installation or that is caused by a plumber, developer, or the person or event.

From time to time, the Company may provide public notices, specific notices, correspondence or other notifications ("Notices") regarding the presence of conditions affecting the wastewater service provided by the Company. These Notices may contain information about actions members of the public may wish to, are recommended to, or should take in response to the conditions identified in the Notice. In the event the Company issues a Notice, the Company will not be liable for any expenses or costs incurred by a Customer or end-user for any action taken in response to any condition identified in the Notice.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION**

Methods of Payment: Bills are payable by mail, by direct debit, in person at any authorized pay agency or as otherwise authorized by the Company.

Landlord Assumption of Responsibility: If an Applicant for service, who is a landlord, assumes responsibility for rates and charges related to wastewater service provided to tenants and is billed for such service, the landlord must assume responsibility and be billed for both water and wastewater service, if such service is provided or billed by the Company.

Billing History: A Customer may obtain from the Company; at no charge to the Customer, the billing history for up to ten accounts per year in the name of the Customer, provided that the Customer submits a written request for such information directly to the Company. Additional requests will be processed subject to the Company's right to charge the Customer its incremental costs of providing such billing histories.

Delinquent Bills: If a rendered bill remains unpaid for a period of 20 days for residential customers and 15 days for non-residential customers, it shall be classified as delinquent. However, if the last day of such period falls on a Saturday, Sunday, a holiday or day when the Company's offices are closed, the delinquency date shall be the next succeeding business day. Payments by mail will be deemed made on the date of the postmark. Payments to the Company drop box or authorized payment agent will be deemed received when paid at that location. Service may be terminated for non-payment of bills in accordance with the Commission's regulations. If service is thus terminated, it will not be restored until all outstanding charges provided by the Commission's regulations and the tariff of the Company are paid or satisfactory arrangements are entered for payment.

Late Payment Charge: If payment has not been received by the Company for five days after the bill has been classified as delinquent, a late charge (penalty) of 1.25% will be applied to the account and such late charge (penalty) will be calculated every thirty days thereafter only on the overdue portion of the bill excluding previous late charges (penalties), and in no event shall the late charge (penalty) exceed more than 18% annually (simple interest).

Return Check Charge and Return Electronic Payment Charge: The Customer will be responsible for the payment of a charge of \$20.00 per incident where a check or electronic payment, which has been presented to the Company for payment of any bill, is returned by the bank for any reason including, but not limited to, non-sufficient funds, account closed, payment stopped, two signatures required, postdated, stale date, account garnished, no account, drawn against uncollected funds, balance held, and unauthorized signature. This charge is in addition to any and all charges assessed against the Customer by the bank. If a Customer's account shows a history of submitting payments that have been returned for insufficient funds or any other reason outlined above, the Company may require deposit or turn-on charges to be paid by cash, certified check, money order, or credit card or service may be terminated without additional notice in accordance with Commission regulations.

RULES AND REGULATIONS**SECTION F – BILLING AND COLLECTION (cont'd)**

Turn-on Charge: When service has been terminated to any Premise because of violation of the Company's Rules and Regulations or at the Customer's request, a charge of fifty dollars (\$50.00) payable in advance will be made for restoration of service. If the Customer request for restoration of service requires the Company to incur overtime or holiday costs, the Company reserves the right to bill the Customer for the additional cost incurred. If the Company incurs out of the ordinary expense to affect termination of service for non-payment of bills or due to lack of access to the Company's facilities, the Customer must reimburse the Company for those expenses in addition to the \$50.00 turn-on charge prior to service reconnection.

Turn-off at Customer's Request: Customers desiring to avoid payment for wastewater service during periods when Properties are vacant or during extended absences shall give notice in writing at the office of the Company requesting the wastewater to be shut off. If a minimum charge or Customer charge for water use is applicable, the bill will be based on the proportion that the period when wastewater service was available bears to the entire period on which such minimum charge or Customer charge is based. Metered consumption in excess of such adjusted minimum shall be billed at normal rates.

RULES AND REGULATIONS**SECTION G – DEPOSITS AND CREDIT STANDARDS**

General: Deposits may be required from Applicants for new service or extension of service. Residential Customers will not be required to pay a security deposit in order to receive service from the Company. The Company will pay income tax on any deposit, advance, contribution or other like amounts received from an Applicant which shall constitute taxable income to the Company as defined by the Internal Revenue Service and required by the Pennsylvania Public Utility Commission. Such income taxes shall be segregated in a deferred account for inclusion in rate base in a future base rate case proceeding. Such income tax associated with a deposit, advance, or contribution will not be charged to the Person providing such deposit, advance, or contribution.

Creditworthiness: Upon application for wastewater service, the Company may require the Applicant/Customer to provide valid identification, a valid deed lease or mortgage evidencing the Applicant/Customer's residency at the Property/Premise, and/or payment of an outstanding balance owed by the Customer which accrued within the past 4 years for which the Applicant/Customer is legally responsible.

The Company may determine liability for a past due balance by:

- Use of Company records that contain information previously provided to the Company;
- Information contained on a valid mortgage, lease or deed;
- Use of commercially available public records databases; and
- Government and property ownership record.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS****General Requirements:**

1. The Customer or owner of the Property (defined as “User” within this Section H) agrees to cooperate with the Company in its efforts to implement or enforce its wastewater pre-treatment program, including any monitoring, reporting and treatment that the Company may deem necessary to ensure that discharges into the Company’s System are compatible with the capability of the Company’s system.
2. The User is required to install and maintain, at their own expense, all interconnecting lines, grease traps, pretreatment equipment, sampling wells and any lift stations required to collect wastewater at Service Connections per the Company’s approval.
3. It is agreed and understood that the User may not dispose of or permit disposal of waste generated offsite by the User, or any other party, by discharge through the User’s Service Connection(s).
4. Grease and oil traps shall be provided when necessary for the proper handling of liquid wastes containing grease or oil of an organic, mineral, or petroleum composition when required by the state plumbing codes or to comply with the Company’s oil and grease limitation. All traps and drains shall be located so as to be readily and easily accessible for cleaning and inspection. All grease and oil traps shall be maintained by the User, at the User’s expense. Prior to installation, plans shall be submitted to the Company for approval. The Company reserves the right to require User of grease, oil, sand traps, or interceptors to submit records of cleaning to the Company at a frequency of the Company’s discretion.
5. It is agreed and understood that User shall install and maintain a waste interceptor, grease trap or pre-treatment unit of sufficient design to prevent the discharge or introduction of trash, debris, grease, oil or any other solid material having maximum dimensions equal to or greater than one and one-half inches (1½”) into the Company’s System, and that the design of such interceptor or pre-treatment unit shall be subject to approval by the Company prior to commencement of discharge into the Company’s System.
6. The User will indemnify and hold harmless the Company from any and all claims, demands, damages, costs, fines, expenses (including attorney’s fees), judgments or liabilities arising out any damage, injury, or loss sustained by Company (“Losses”) on account of or in consequence of the introduction of any Prohibited Discharge (defined below), violation of any permit or contract, failure to install required Pretreatment, or failure to otherwise comply with the Company’s Pretreatment requirements by the User. The Company shall have the right to charge the User as a part of the User’s wastewater service charges any Losses incurred, including regulatory agency fines, or any other expenses or costs incurred by the Company including but limited to cleaning and removal on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, or failure to otherwise comply with the Company’s Pretreatment requirements by the User.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Requirements (cont'd):**

7. The Company shall have the right to terminate or otherwise refuse service in accordance with its rules and regulations to any user on account of or in consequence of the introduction of any Prohibited Discharge, violation of any permit or contract, failure to install required Pretreatment, failure to properly operate and maintain said Pretreatment, or failure to otherwise comply with the Company's Pretreatment requirements by the User.

8. The Company shall not be liable to the User for a failure to provide sewage collection services. It is understood and agreed that service interruptions may, from time to time, occur. The Company agrees to use its best efforts to provide continuous service.

9. If any measurement, test, inspection or analysis determines that a User has created a situation which is in violation of any statute, ordinance, rule or regulation, the User shall be required to pay all costs incurred to remedy the situation.

10. Where necessary in the Company's opinion, the User shall provide, at the User's expense, Pretreatment as may be necessary to reduce the water quality characteristics or constituents to within the maximum limits provided for in these Rules and Regulations or to control the quantities (mass loading) or rates of discharge of Wastewater or Wastes. Plans and specifications and other pertinent information shall be submitted for the approval of the Company and no construction of such facilities shall commence until said approvals are obtained in writing. Pretreatment facilities shall be operated and maintained continuously to provide satisfactory and effective operations. The User is solely responsible for meeting the water quality compliance limits herein and as may be imposed where the Company and the User enter into a contract which establishes site specific local limits for water quality parameters not listed herein which may be regulated by the Pennsylvania Department of Environmental Protection and/or the United States Environmental Protection Agency.

11. The Company reserves the right to refuse connection to its sanitary and/or combined sewer connection or to compel the discontinuance of the use of the sanitary and/or combined sewer where the company deems the discharge of the waste harmful to the sewer system or to have an adverse effect on the sewage treatment processes.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Requirements (cont'd):**

12. Wastewater raw Waste strength shall be limited to that illustrated below:

		Maximum Allowable Limits <u>(Grab Sample)</u>	Maximum Allowable Limits <u>(24 Hour Composite Sample)</u>
BOD ₅	(mg/l)	250	250
TSS	(mg/l)	250	250
COD	(mg/l)	500	500
Total Kjeldahl Nitrogen	(mg/l)	50	50
Total Phosphorus	(mg/l)	8	8
Ammonia Nitrogen	(mg/l)	45	45
pH	(s.u.)	6-9	N/A
Oil and Grease	(mg/l)	100	N/A

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****General Prohibitions:**

1. No storm water from pavements, areas ways, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, sub-floor groundwater reduction systems, unpolluted industrial or commercial process water or other sources shall be admitted to the Company's System.

2. The discharge of garbage to the Company's System is expressly prohibited.

Prohibited Discharges: No person shall cause or permit to be discharged into the Company's System any toxic substances or wastes having any of the following characteristics:

1. Wastes containing gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the Company's System or its operation. Any pollutants which create a fire or explosion hazard in the collection and treatment system including, but not limited to, waste streams with a closed cup flash point of less than 140 degrees Fahrenheit, using the test methods specified in 40 CFR 261.21.

2. Any liquid or vapor having a temperature in excess of 150 degrees Fahrenheit or any substance which causes the temperature of the total wastewater treatment plant influent to exceed 104 degrees Fahrenheit. Any liquid or vapor less than 20 degrees F. Allowable temperatures may vary by facility.

3. Washes having a pH lower than 6.0 or higher than 9.0 having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the Company's System.

4. Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with Wastewater or other Wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.

5. Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the Company's System.

6. Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.

7. Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.

8. Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit or the ability to meet sludge standards or beneficial reuse of sludge

9. Wastes containing other matter detrimental to the operation of the Company's System causing erosion, corrosion or deterioration in sewers, equipment and structure of the Company's System.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Prohibited Discharges (cont'd):**

10. Any liquid containing fats, wax, grease or oils of mineral or petroleum origin, whether emulsified or not, in excess of 100 mg/l or of animal or vegetable origin in excess of 100 mg/l. Lower limits may be applied to mineral oils where necessary to prevent interference with treatment plant operations or pass through. Allowable grease levels will vary by facility.

11. Wastes containing more than 10 mg/l of any of the following gases, hydrogen sulfide, sulfur dioxide, nitrous oxide, or any of the halogens.

12. Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to human or animals or create any hazard in the Company's System operation and such toxic wastes shall include, but not be limited to wastes containing cyanide, chromium and/or copper ions.

13. Any Waste containing toxic substance in quantities sufficient to interfere with the biochemical processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the standard and/or federal requirements in respect thereof.

14. Any Waste containing radioactive isotopes.

15. Any Wastewater which imparts color which may affect the effluent or may cause violation of the National Pollutant Discharge Elimination System permit or the ability to meet sludge standards or beneficial reuse of sludge.

16. Waste discharged into the Company's System shall not include any hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., as amended, and the regulations thereunto, or in those sections of the Pennsylvania Administrative Code governing solid and hazardous Waste.

17. The Company reserves the right to set more stringent limitation if the Company determines that the limitation in this section may not be sufficient to protect the operation of the Company's System or to comply with the water quality standards or effluent limitations of the Company's applicable permits.

RULES AND REGULATIONS**SECTION H – WASTEWATER CONTROL REGULATIONS (cont'd)****Sampling Analysis:**

1. All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in these rules may be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Wastewater" as prepared, approved, and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.

2. All measurements, tests, inspection, and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulation of the Company, shall be done by the Company or its agents, employees or contractors. If the measurement, test, inspections and/or analyses determine that a Customer has created a situation which is in violation of any statute, ordinance, rule or regulation, then the Customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).

3. Where the Company deems advisable; it may require any person discharging Wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the Wastes discharged. The User shall install and maintain a suitable control manhole in the User's sewer lateral to facilitate observation, sampling and measurement of wastes. Any manhole and sampling device shall be publicly accessible and in a safe location, constructed in accordance with plans approved by the Company and installed and maintained at the expense of the User to whom wastewater service is provided.

4. Samples for analyses shall be by either grab sample or composite samples or a 24-hour composite sample collected and proportioned, as directed by the Company.

5. Copies of all operational records, analyses, shall be filed with the Company unless otherwise directed by the Company.

Disposal of Wastes From Septic Tanks and Cesspools: No person shall dispose of Wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's System, except as designated by the Company.

Penalties: The Company reserves the right to deny wastewater service for violation of any provision of these regulations, subject to Commission rules and regulations.

Damage to System and Indemnification: In the event of any damage to the Company's System caused by a Customer, such damage shall be immediately reported to the Company and said Customer shall reimburse Company for the costs of such repairs.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS****Definitions:**

Builder: Any person(s) requesting an extension to provide service to an existing lot or group of lots, either exiting or to be subdivided, where service is to be provided to something other than a preexisting Residential Structure; namely, a newly constructed structure, structures to be constructed in the future, or to a preexisting non-Residential Structure.

Bona Fide Service Applicant: A person or entity applying for wastewater service to an existing or proposed structure within the Company's franchise territory for which a valid occupancy or building permit has been issued if the structure is either a primary residence of the Applicant or a place of business. An Applicant shall not be deemed a Bona Fide Service Applicant if:

- An Applicant is requesting wastewater service to a building lot, subdivision or a secondary residential dwelling;
- The request for service is part of a plan for the development of a residential dwelling or subdivision; or
- The request for service requires Special Utility Service.

General Provisions:

1. At the time any request is made to the Company for a Main extension, the Company may request a site plan for the lot(s) to which service is to be provided. If such a request is made by the Company, the site plan must be provided within the time specified by the Company, which shall not be less than fourteen (14) days.

2. The Company shall have the exclusive right to determine the type and size of Mains to be installed, and any other facilities or fixtures required to render adequate service; provided, however, that where the Company decides to install pipe larger than eight (8) inches in diameter, and 8-inch pipe would render adequate service throughout the extension, at the company's discretion, estimated, or actual, cost figures contained in the "Sewer Main Extension Agreement" or "Sewer Main Extension Deposit Agreement" (collectively "Extension Agreement") will include the material cost for pipe eight (8) inches in diameter. All estimated, or actual, cost figures will include a reasonable allowance for overheads.

3. In determining the length and size of, and necessity for, Main extensions, the terminal point of such extensions will, in all cases, be at that point in the curb-line which is equidistant from the side property lines of the lot for which wastewater service is requested. A street Service Connection will be provided only for service lines from the curb to the premises to be served, and will be installed in a straight line, at right angles, to the curb line.

4. Should it be necessary, at the Company's sole discretion, to extend beyond the last lot in any street to connect to an existing Main to provide more adequate and reasonable service, this additional extension shall be considered part of the total and orderly system development so long as the last lot in the street is not more than one hundred fifty (150) feet from that existing Main, and may be included in the cost of the extension.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS (cont'd)**

Bona Fide Service Applicant Initiated Main Extensions: Where an adequate wastewater distribution Main does not abut a Bona Fide Service Applicant's Property such that a service connection cannot be made to serve such Property in accordance with these Rules and Regulations, the Bona Fide Service Applicant (or an authorized agent for the Bona Fide Service Applicant) must apply to the Company for a Main extension. Such extension will be made under and pursuant to the terms of an Extension Deposit Agreement for the Bona Fide Service Applicant subject to applicable provisions of these Rules and Regulations. The construction of facilities to serve such Bona Fide Service Applicant will not commence until an Extension Deposit Agreement for the Bona Fide Service Applicant has been executed and all applicable terms and conditions therein have been satisfied by the Applicant.

In conjunction with executing an Extension Deposit Agreement, a Bona Fide Service Applicant shall deposit with the Company an amount totaling \$1,000, representing a Service Line Deposit. Such amount shall be refunded to the Applicant within 90 days after the Applicant's requesting and receiving wastewater service from the Company, provided, however, that if the Applicant does not request connection to the Company's Main extension within six months of the completion of the Main extension, the Service Line Deposit shall become non-refundable.

Where a proposed Main extension is capable of serving multiple structures or facilities and at least 80% of the potential Customers who could receive service from the Main extension become Bona Fide Service Applicants and satisfy all applicable terms and conditions of the foregoing provisions, the Customer Advance, if any, required of each Bona Fide Service Applicant shall be calculated as if 100% of such potential Customers had become Bona Fide Service Applicants.

For a period of ten (10) years following completion of the Main extension, the Company shall refund to each Bona Fide Service Applicant his/her pro rata share of an amount equal to the Company Contribution for each additional Customer who attaches a service line to the main extension and requests service. No refunds shall be made, however, in those situations where at least 80%, but less than 100%, of the potential Customers who could receive service from the Main extension become Bona Fide Service Applicants and their Customer Advances are calculated as if 100% of such potential Customers had participated in the initial funding of the project. In addition, the total amount refunded shall not exceed the amount of the Customer Advance paid by the Bona Fide Service Applicant.

The Bona Fide Service Applicant must have complied with all other conditions of service provided elsewhere in these Rules and Regulations in order to receive wastewater service from the Main extension.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS (cont'd)**

Company Contribution: shall mean that portion of the Main extension costs which generate annual line extension costs equal to annual revenue from the line extension and that the Company will fund based upon the following formula, where X equals the Company Contribution attributed to each Bona Fide Service Applicant:

$$X = \frac{AR - O\&M}{(P \cdot I) + D}$$

Whereby:

AR = the expected annual revenue from the Bona Fide Service Applicant based upon the Company's currently effective Tariff rates and on the average annual usage of customers similar in nature and size to the Bona Fide Service Applicant.

O&M = the average annual operating and maintenance expenses associated with serving an additional Customer, including customer accounting, billing and collection, wastewater treated, power purchased, chemicals, and other variable costs based on the current total Company level of such costs, as well as any costs particular to the specific needs of the Bona Fide Service Applicant.

I = the Company's current debt ratio multiplied by its weighted cost of long-term debt; and

D = the Company's depreciation accrual rate for Account No. 360 (Collection Sewers – Force) or 361 (Collection Sewers – Gravity).

Customer Advance: shall mean (1) the Estimated Cost of the wastewater Main extension less (2) the Company Contribution.

Line extensions to Bona Fide Service Applicants shall be funded without Customer Advance where the annual revenue from the line extension will equal or exceed the Company's annual line extension costs. If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a Bona Fide Service Applicant may be required to provide a Customer Advance to the Company's cost of construction for the line extension.

Where a Customer Advance is required, and the Bona Fide Service Applicant is unable to advance the entire amount due, the Company, at its option, must either (1) allow the Bona Fide Service Applicant to pay the advance ratably over a period of not less than three years or (2) assist the Bona Fide Service Applicant in obtaining the necessary financing from an appropriate lending institution so that the Bona Fide Service Applicant can deposit the entire amount due. If the Company chooses option (1), it may require that up to one-third of the total advance be deposited prior to extending its facilities and may recover from the Bona Fide Service Applicant, over the payment term selected, its costs of financing the construction by applying to the amount outstanding interest charges calculated at the then-prevailing residential mortgage lending rate specified by the Secretary of Banking in accordance with the act of January 30, 1974 (P.L. 13, No. 6), known as the Loan Interest and Protection Law.

RULES AND REGULATIONS**SECTION I – MAIN EXTENSIONS (cont'd)**

Special Utility Service: shall mean residential or business service which exceeds that required for ordinary residential purposes. By way of illustration and not limitation, Special Utility Service shall include: the installation of facilities such as oversized mains, lift stations, wastewater treatment facility ("WWTF") expansion, etc., as necessary to handle increased flows, hydraulic loading and / or organic loading, or service to large wastewater producing commercial and industrial facilities. An otherwise Bona Fide Service Applicant requesting service which includes a "Special Utility Service" component is entitled to a Bona Fide Service Applicant status, including the corresponding Company contribution toward the costs of the line extension which does not meet the Special Utility Service criteria.

Builder Initiated Main Extensions: In the event any Main extension is requested or required to provide service to newly constructed structure(s) to be constructed in the future on existing or subdivided lots, or to preexisting non-Residential Structures except as provided below, the Builder shall be required to install the wastewater Main and service lines through a pre-qualified contractor retained by the Builder and to pay all costs related thereto. At the sole discretion of the Company, the Company may undertake construction of facilities otherwise subject to this Rule, in which event, an Extension Agreement shall be applicable except that the Builder will retain financial responsibility for the installation of the wastewater Main, service lines and appurtenances as specified herein.

Under the provisions of this Rule, prior to construction, the Builder must enter into an Extension Agreement, in a form acceptable to the Company, detailing the terms and conditions under which the Company will accept, and provide service through, facilities constructed by Builder. All construction costs, whether initially incurred by the Company or the Builder, related to the Main extension shall be the responsibility of the Builder. The Extension Agreement shall contain, at a minimum, the following terms and conditions:

1. Main and service line installation work shall be performed in accordance with the specifications and conditions of the Company.
2. All costs of material and installation required to serve Builder's lots shall be the responsibility of Builder. Builder shall contract directly with a pre-qualified contractor, recognized and approved by the Company, for all Main and service line installation work, and all appurtenances required to serve the project.
3. Any specialty material required to interconnect with the Company's existing facilities shall be provided by the Company.
4. Any construction involving preexisting facilities of the Company, including but not limited to relocation of existing facilities and connections of Mains or services with existing facilities, shall be performed only by the Company unless Company approves this work to be completed by Builder's contractor.
5. Builder's estimate of the cost of construction must be acceptable to the Company. Estimates which appear to be understated may be rejected.
6. Builder shall obtain all necessary permits from federal, state and local authorities. If any of these authorities require the Company to obtain such permits, the Company shall apply for the permits.
7. All construction shall be subject to inspection by Company personnel. No trenches shall be backfilled prior to approval from Company inspectors.

RULES AND REGULATIONS**SECTION J – WAIVERS**

The Company may, at its sole discretion, waive any of the Rules and Regulations contained herein that operate for the benefit of the Company; provided, that no such waiver will be valid unless in writing and signed by an authorized representative of the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Commission or of any other applicable statute, law or regulation.

SECTION K – AMENDMENT OF COMMISSION REGULATIONS

Whenever Commission regulations in Title 52 of the Pennsylvania Code are duly amended in such a way as would produce a difference between Commission regulations and this Tariff, the Tariff is deemed to be amended so as to be consistent with the amendments to the regulations, except that if application of the amendment to Title 52 is discretionary, this Tariff will remain unchanged.

SECTION L – PRIVILEGE TO INVESTIGATE/RIGHT TO ACCESS

The Company shall have the right by its employees to have access at all reasonable times to all parts of any Premises connected with the Company's System, including meters, Service Connections and other Property owned by it on the Premises of the Customer for the purpose of examining and inspecting the connections and fixtures, including the water and/or wastewater metering arrangement, or for disconnecting service for any proper cause or for purposes of replacement, maintenance, operation or repair thereof. The existing ground grade over any Sanitary Sewer in the utilities right of way shall not be changed nor shall any manhole be covered with earth and no shrubbery or trees be placed over Sanitary Sewer lines or facilities.

RULES AND REGULATIONS**SECTION M – INDUSTRIAL AND COMMERCIAL SERVICE LIMITATIONS**

Pretreatment: At the Customer's or owner of the Property's (defined as "User" within this Section M) expense, all industrial and commercial waste proposed for discharge into the wastewater system shall be studied to determine the degree of Pretreatment, if any, necessary in order that the Waste will not adversely affect the Company's System. The Company will have the authority to properly control any Waste discharged into the Company's System by regulating the rate of any Waste discharged into the Company's System by requiring necessary Pretreatment, and excluding certain Waste, if necessary, to protect the integrity of the Company's System.

Customer Limitations: Users specifically agree that service applies exclusively for domestic/household sewage. If any User discharges industrial or commercial Waste that:

- The existing wastewater treatment plant is unable to satisfactorily treat; or,
- Is not in compliance with discharge permit standards, disrupts the normal functioning of the existing wastewater treatment plant; or
- Requires the utilization of more wastewater treatment plant capacity per gallon of effluent than that required by average typical domestic wastewater.

Then the User shall provide, at the User's own expense, such Pretreatment as may be necessary before such Waste is discharged into the Company's System. No commercial or industrial Waste, whether pretreated or not, may be discharged without prior written authorization from the Company.

Company Limitations: The Company will not be liable nor bound to increase wastewater treatment plant operations to accommodate industrial or commercial Waste.

Specific Dangers: In general, any Waste will be considered harmful to the Company's System if it may cause any of the following damaging effects:

- Chemical reaction either directly or indirectly with the materials of construction of the Company's System in such a manner as to impair the strength or durability of the sewer structures;
- Mechanical action that will destroy the sewer structures;
- Restriction of the hydraulic capacity of the sewer structures;
- Restriction of the normal inspection or maintenance of the sewer structures;
- Danger to public health and safety; or
- Obnoxious condition contrary to public interest.